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**FIVE COLLEGE
DEPOSITORY**

ORGANIZING TO HELP RURAL GROUPS: INCOME GENERATION AND
RURAL DEVELOPMENT IN THE THIRD WORLD

A Dissertation Presented

By

RICHARD LORIN BETZ

Submitted to the Graduate School of the
University of Massachusetts in partial fulfillment
of the requirements for the degree of

DOCTOR OF EDUCATION

May 1984

School of Education

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ORGANIZING TO HELP RURAL GROUPS: INCOME GENERATION AND
RURAL DEVELOPMENT IN THE THIRD WORLD

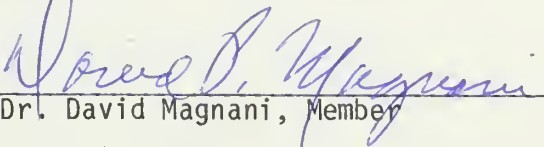
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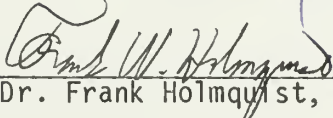
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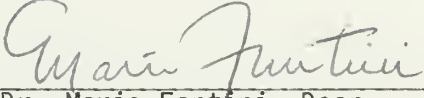
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As I sit here in Amherst, Massachusetts putting the final touches on this dissertation I am reminded of the many people who have brought me to the point where hopefully I can bring my skills, however modest, to those among us who are in need of help.

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I want to thank my dissertation committee, Dave Evans, Dave Magnani, and Frank Holmquist for their continued support and constructive criticism. In particular I want to thank my committee chairperson Dave Evans for guiding my doctoral studies and for greatly assisting in my professional development.

This dissertation includes a case study of three income generating groups in Lesotho assisted by the Lesotho Distance

Teaching Centre (LDTC). The staff members of the LDTC enabled me to gain a deeper understanding of the plight of the poor of this earth and the role that each of us can play in alleviating their burden. To them I give my appreciation and respect. In particular the dedication and hard work of the LDTC Director, Ken Tsekoa, the LDTC Service Agency Coordinator, Pholonngoe Moleko, and staff members Motlatsi Morolong, Montseng Mofokeng, Mathato Khitsane, Theo Derkxx, and Ntholeng Lechasa confirmed my belief that each of us can help end the poverty and injustice that pervades our world. I also want to thank Ms. Linda Zieghan, nonformal education evaluator at the LDTC, for her invaluable work with the various LDTC evaluation studies.

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In a sense this study is not really an end but a beginning. It has enabled me to bring together a number of ideas regarding the role of nonformal education and income generation but it has also shown me that much more work needs to be done. That is how it should be. No one should ever feel that they reached the end of the road. There must always be something to dream about and to wish for. There is still so much that needs to be done in this world.

ABSTRACT

Organizing to Help Rural Groups: Income Generation and Rural Development in the Third World

(May 1984)

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This study establishes a role for nonformal education training and financial assistance in the development of self managed income generating activities. The main question that the study answers is: Within the context of an expanding modern sector in what ways can the use of nonformal education approaches and training techniques enable indigenous Third World rural structures and organizations to be transformed into viable self managed income generating groups.

The first part of the study discusses the poverty situation in the Third World and describes the need for self managed and controlled income generation as one strategy to lessen this situation. It examines the dominant role that the modern, urban sector plays in the development process and its relationship to the traditional, rural sector. It makes a case for using traditional groups in the development of income generating groups. The first part concludes with a presentation of written material from a variety of income generating group activities from selected Third World countries. From these

examples, a framework for analyzing income generating groups according to certain commonalities was developed.

The second part of the study presents baseline data on three field based income generating groups located in the African country of Lesotho. The material contains both descriptive information based upon the author's experiences with these groups as well as statistical data. Nonformal education training and a revolving loan fund were used with these three groups over a period of time by the Lesotho Distance Teaching Centre, an institution within Lesotho. Both descriptive and statistical information on the results of this assistance and the progress made by the three groups demonstrate the important role of training and financial assistance. This case study information was analyzed using the previously described framework for income generating groups. This analysis led to the identification of dimensions and guidelines for designing an effective nonformal education program to facilitate the development of self managed income generating groups in a Third World context.

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C H A P T E R I

INTRODUCTION

The Third World has reached a turning point in its long and difficult struggle for economic and social development. In recent years many Third World governments have come to realize that the development strategies they had pursued in the past two decades were inappropriate or even irrelevant to their real needs. They have also come to realize that a development strategy tied primarily to classical definitions of economic growth will not by itself solve problems of employment and income distribution or improve the conditions of the poorest segments of the population. Indeed, in many countries, rapid economic growth has further aggravated the problems of poverty, unemployment, and inequality.

The search for alternative development strategies has now become intense, particularly among political leaders and social scientists. The starting point for this search is the belief that a development strategy which aims at creating a consumer society based on the Western model is neither feasible nor desirable. Third World nations with a high level of poverty and with their populations threatening to double every twenty-five or thirty years, can not conceivably provide a car and a refrigerator to every family in the foreseeable future (Aziz, 1978, p. 10). The main thrust of their development efforts, it is now widely accepted, must be on meeting the

basic needs of equal access to food, shelter, health, human dignity and worth, as well as the participation and control of the entire population rather than on providing Western levels of consumption to a privileged minority.

One of these needs--the opportunity to earn a living--has proven to be particularly elusive to growing numbers of people. As a result, many governments in the Third World have become deeply concerned with the increasingly troublesome problem of creating constructive income generating opportunities for their rapidly growing populations.

Notwithstanding considerable variations among and within countries, the average annual population growth rate for Third World countries is estimated at 2.3%, which means that these countries' labor forces will nearly double by the end of this century (The Assault on World Poverty, 1975, p. 16). While these countries are urbanizing rapidly due to rural population pressures and the "opportunities" of city life, the absolute population increases in rural areas continue to be greater than that of the urban areas. Furthermore, job opportunities in the cities are scarce and modern approaches to manufacturing create few jobs per unit of investment.

This means, simply, that the great majority of Third World peoples must continue to live and work in the rural areas and that, for the foreseeable future, rural areas must house and provide livelihoods for more, not fewer people.

The traditional sector is undergoing a prolonged crisis

without a smooth transition. A more humane and viable approach must be undertaken. A shift must be made from the dualistic paradigm of neo-classical economic development to a populist, culturally sensitive strategy based on local involvement and control, utilization of local resources, minimal risk and cost to rural people, and locally defined direct and identifiable improvement in the physical, material, and psychological well-being of rural people.

Yet what strategy can be developed which will provide increased income and employment opportunities for those in the rural areas and at the same time counteract the effects of a "modernizing" development approach which stresses the hiring of labor and the loss of control by the workers of the production process and its resulting benefits? Much of what has been suggested and implemented has often resulted in more rather than less poverty and unemployment by the destruction of traditional structures and the imposition of unfamiliar organizations and approaches.

Recent discussion has focused on devising strategies to change the traditional mode of production from subsistence production to that of the marketplace in ways that do not destroy the social framework of the society. According to this approach, the optimal technique will be one that does not neglect or discard at the onset the traditional mode of production but utilizes the services of the majority of the population with the greatest potential to raise incomes by contributing to capital formation, enhancing aggregate purchasing power, expanding internal markets, adopting appropriate techniques of produc-

tion and aiding in its diffusion.

One strategy which requires further investigation is that of rural-based and locally controlled income generating groups. The original intention of this concept is to provide groups of poor villagers with basic technical, entrepreneurial, and managerial skills and the financial credits (plus in some cases with prior literacy and numeracy skills if necessary) which will be utilized in the cooperative production of some salable good for consumption. This would increase income and eventually capital formation as money is accumulated by the groups. Gradually and ideally unemployment and poverty conditions would lessen as more and more people would enter the marketplace as producers and consumers.

Yet while this approach is being used increasingly throughout the world in such diverse places as Lesotho and Indonesia, much further analysis must be undertaken to understand the possibilities and limitations of these self managed income generating groups and to determine what factors influence the successful development of these groups.

Initial reaction from these programs that have already been established seems to suggest that the risk involved in the formation of such income generating groups is large and that the range of technical issues (banking, revolving credit, product development, and marketing, etc.) is overwhelming and that the role of the educational component, particularly nonformal education, is ill-defined and ambiguous.

While the problems of poverty and unemployment pervade the rural areas of the Third World, the rush to encompass the income generating concept in its entirety must be tempered by a realistic and pragmatic view of what it can do. While self managed income generating groups may very well play an important role in the elimination of poverty and unemployment, a careful analysis and delineation of the concept of self managed income generating groups and the role that education can play in their development must be undertaken. This study attempts to examine these issues in detail.

The Problem and the Significance of the Study

Malineo is from the village of Ha Khobotle in the southern part of Lesotho. She has a household of eight people including her own five children who depend on her for their daily needs. Malineo was married to a Masotho who would send remittances back to her from the mines in South Africa. Three years ago he died. Since that time she has had to feed and clothe her family on the little she could earn from selling vegetables raised on the plot of land given to her by the village chief and from the sale of sorghum beer. Her Standard Three education has not equipped her for any other type of work. She can not get a suitable job in the capital city, if such were available, because she lacks the necessary school certificates and she has trouble increasing her income in the village because she does not have, among other things, the appropriate and relevant education to generate more income for herself and her family. In spite of such difficulties, Malineo and others in her village with whom she has worked in the past have formed a piggery association to generate more income. Their chances of success appear limited since at present they have neither the financial resources nor educational training to make their group a success.

The above example demonstrates what is becoming an increasingly more common sight in rural areas of the Third World. "Pressured by the demands of a monetary economy that they can not

ignore, rural villagers are attempting to earn money to meet their basic human needs through individual and group efforts. Whether their activities are in agriculture, handicrafts, or small industries, these people seek to earn income that will enable them to meet the costs of basic needs." (The NFE Exchange, 1979, p. 1.) Often this income supplements that earned from agriculture or other sources such as miners' remittances as in the case of Southern Africa. However, for the vast numbers of unemployed men, women, and school leavers, income earned from these activities may be their only means for survival (NFE Exchange, 1979).

One of the greatest challenges facing Third World countries is to foster income generating activities for their people, especially those who live in rural areas. What should the role of education be in this all-important development effort? In the case of Malineo she benefited little from her years of schooling beyond her ability to read and write. It has now become clear to many development planners and practitioners that education, which for so long was viewed as the panacea for all Third World development problems, can not by itself solve the problems confronting the rural poor. Education programs can not be concerned solely with the transference of information. In order for rural people to provide all-important income for themselves and their families they need the necessary educational and financial means to create opportunities for themselves. To make education more than the simple transference of information, education, especially for adults, must be linked to productive activities and it must be

designed for the specific and immediate use of rural people.

Increased attention at the national and international level by planners and practitioners is being given to working with groups as a means of generating income and increasing the local accumulation of capital. It has been suggested that programs that work with groups are able to reach more people with fewer resources; there may be an opportunity with groups to raise the standard of living of all; and, through self managed groups, monopolistic exploitation by individuals may be reduced. Some planners also view groups as potential catalysts for other development activities and argue that the confidence and sense of communal support gained from working in groups can be an important step toward developing independence. In addition, groups provide members with an opportunity for skill sharing and support.

Developing viable self managed income generating groups is not easy. Developing organizational, marketing, and other business skills, and the actual acquisition of these skills by members are among the many problems that these groups face.

There is a growing demand on the part of both Third World development planners and practitioners for information about income generating activities and the role that education and in particular nonformal education can play in their development. This study is designed to provide input to such planners and practitioners by presenting information concerning the following areas:

1. The causes of rural poverty;
2. The usefulness of utilizing self-managed groups that are already in existence in the further development of income generating groups;

3. What constitutes a self managed income generating group and the different categories of these groups.

The main area of focus for the study will be:

4. The actual possibilities and limitations of self managed income generating groups;
5. The range of problems faced by self managed income generating groups and factors which influence the successful development of such groups;
6. Finally, the study should clarify what non-formal education approaches and techniques can be effectively used with these groups and what practitioners and field workers' roles should be in the utilization of these non-formal education concepts for the development of self managed income generating groups.

Purpose

The purpose of this study is to examine and clarify the role that nonformal education training and financial assistance can play in the development of self managed income generating groups.

The main question that must be answered in light of the issues raised in the introductory section is: Within the context of an expanding modern sector, in what ways can the use of nonformal education approaches and training techniques enable indigenous Third World rural structures and organizations to be transformed into viable self managed income generating groups?

In the course of dealing with this question of defining the role of nonformal education in the development of income generating groups a number of other questions are addressed:

1. What are the effects of the modern sector on the rural traditional sector?

- a. What are the objectives of a given society?
- b. Who sets these objectives and how?
- c. What are the larger contextual issues and elements in which the rural organizations exist?
2. What are the categories and functions of indigenous self-help and self-managed groups which are already in existence and can help these groups develop into self-managed income generating groups?
3. What is a self managed income generating group?
4. What are the possibilities and limitations to the concept of self managed income generating groups?
 - a. Who has benefited from the formation of self managed and owned income generating groups?
 - b. Can these groups contribute to raising income?
 - c. Can these groups contribute to increased equality of income distribution and the meeting of basic human needs?
 - d. What kinds of problems are faced by potential income generating groups?
 - e. What factors influence the successful development of self managed income generating groups?
5. How do the characteristics of income generating groups interact with the larger external contextual variables?
6. What are the nonformal education approaches and techniques which are most effective in the development of these groups and how can they be best utilized?

Methodology

This study is a descriptive and analytical treatment of the role of income generating groups in rural development and the ways in which nonformal education training and financial assistance can assist in the development of rural groups. To this end income generating

programs are examined, both through actual field experience in Lesotho as well as through studying documentation of other programs throughout the Third World.

Review of the Literature

The initial step is a review of the literature in this field. The area of self managed income generating groups is not a new field in Third World development efforts, yet relatively little has been written in this area. Much of what is available is contained in the larger field of rural development. Major areas of the literature include literature on recent perspectives on Third World development, anthropological and economic studies on the peasantry and traditional rural organizations, and the role of nonformal education in rural development.

An extensive library search was conducted to determine the characteristics of effective income generating groups. The fields explored were: (1) worker self management including the theories of workplace democracy, organization and management structures, democratic management in a political and economic context, and social entrepreneurship and community controlled economic development; (2) the closely related area of rural producer cooperatives in theory and in practice; and (3) the field of community organizing for political and economic development. From the data collected a generalized framework for analyzing income generating groups according to commonalities was developed.

Field Case Studies

Three Third World rural groups which represent attempts to create income generating groups were chosen as case studies. The criteria used to select the groups for the case studies were:

1. Groups that are considered by government agencies to be located in the rural areas;
2. Groups that have an identifiable structure;
3. Groups that already or soon will be undertaking the production and marketing of some saleable good;
4. Groups that are utilizing or have utilized various forms of outside assistance, such as financial credits, training in organization, production, or marketing, or accounting skills.

Data for the case studies was drawn from primary source material and from the author's own personal experience with the groups. Data collected on income generating groups during the literature investigation was used to elaborate the findings of the field investigations. Quantitative data regarding the commonalities of income generating groups was measured and compared with the structures and approaches chosen by the field case studies to identify the determinants common to success. In order to draw inferences from these three field case studies and from the documented case study material on income generating groups, they were analyzed to determine the components and relationships which work together to satisfy the stipulated indicators for a viable and successful self managed income generating group as outlined from the literature investigation. The analyses lead to the identification of dimensions and guidelines for

designing an effective nonformal education program to facilitate the development of self managed income generating groups in a Third World context.

Assumptions and Definitions

There are several basic assumptions which the author will refer to in this study, but which will not be the focus of testing. These concepts have been studied in considerable depth by others. These assumptions follow:

1. The focus of this study will be on the group rather than the individual. It appears from literature (Jedlicka, 1977, NFE Exchange, 1979) that groups may be more receptive to risk taking and to change than individuals due to support sharing mechanisms such as confidence and communal support. External resources may also be more effectively used with a group than with individuals. At the local level, a group focus may tend to reduce monopolistic exploitation by individuals while providing a base for other community development activities. At the macro level, groups, unlike individuals, may provide an effective vehicle for articulation of local needs. Groups may also be more consistent with human psychological needs and with pre-existing cultural factors.

2. Broad based rural development and growth are not only skills constrained, i.e., education and training alone can not foster development; other larger factors must be confronted if effective development is to take place and be sustained. While education may

not be an instrument of change, it is still a necessary component for rural development programs. However, training must be linked to community based and controlled production since only in this manner can communities focus on the heart of their problems.

3. In addition to an initial focus on the above economic empowerment question which is a linkage of training to the economic factors which influence development, broad based rural development activities can only take place when local human and physical resources are sufficiently organized to support them.

4. The principal focus of this study is the role that nonformal education can play in the generation of income for the rural poor. As such it does not present in detail the equally important question of who controls production through such means. Such concepts as capital accumulation in the traditional sector or in the modern sector and related issues of political control over the process of production are discussed in Chapter II and Chapter VI.

The two key terms in this study have been defined in many different ways which has led to some confusion in development literature.

Income generation, for the purpose of this study, is the production and marketing of some goods for the marketplace which will result in increased income for the sellers.

Self management reflects the management and decision making structure of the income generating group. As a concept it means a direct comprehensive democracy in the economic, political, and cultural unit and which affords to all participants in the production

process democratic representation.

Many income generating activities take place in a group structure. Such a group structure is sometimes referred to as an association, a collective or a cooperative. Cooperatives are organizations in some manner commonly owned and run by their membership in order to provide pre-determined benefits to the members.

In recent years the term modern sector has been used interchangeably with the term urban sector and sometimes the capitalist sector. It is usually defined (Gudeman, 1978) as that part of the national economy which uses reproducible capital (money) for modern, capital intensive production methods, pays capitalists for the use thereof, and employs wage labor for profit making purposes. This sector may be either private or public. Again, the distinguishing feature is the hiring of labor and sale of its output for profit.

The traditional sector, also commonly called the rural, subsistence, or pre-capitalist sector, does not use reproducible capital, usually money, and does not hire labor for profit. The economic activities are carried out generation after generation without significant change in the mode of production. The mode of production is labor intensive, small scale activities (utilizing family or communal members) for limited local needs (Gudeman, 1978; ILO, 1977; Nerfin, 1977).

The term "Third World" was coined during the 1950s by numerous people and applied to the non-aligned, developing countries that remained outside the two power blocks (the United States and the

Soviet Union). In recent years economically developing countries such as Cuba and Vietnam consider themselves to be members of the Third World. The term has grown from one of developing and nonaligned to also include those non-European Communist countries which demand a reordering of the present international economic system. While this term may be more precise than "poor" or "developing" nations, it still does not give total, proper perspective to the internal and external dynamics that these new politically independent and evolving nations are undergoing.

Organization of the Study

Following the introductory chapter, the study is divided into five more chapters.

Chapter II places the study in perspective by describing the effects of the modern sector on the traditional sector.

Chapter III examines the categories and functions of indigenous groups and how they may develop into self managed income generating groups. After surveying existing income generating programs and activities, the chapter ends with a detailed framework for analyzing successful income generating group activities.

Chapter IV begins by providing contextual information on Lesotho and on the work of the Lesotho Distance Teaching Centre. The three case studies presented in the chapter are drawn from the experiences of the Lesotho Distance Teaching Centre (LDTC) in the field of income generation. The cases are presented in a descriptive

format but statistical data is also cited. After a total picture of each case study is presented a summary of basic features is outlined. The chapter concludes with a discussion of LDTC interventions.

Chapter V reviews three case studies after a period of training by the field personnel from the LDTC and other institutions then uses the framework of commonalities for income generating groups developed in Chapter III to highlight inferences.

Chapter VI summarizes the role of nonformal education and especially training and revolving loan funds in the development of income generating groups. The chapter concludes the study with a discussion of the possibilities for implementing such an approach to assisting the development of income generating groups.

CHAPTER I I

THE EFFECTS OF THE MODERN SECTOR ON THE TRADITIONAL SECTOR

As the mid-point of the Third Development Decade approaches, the problems of poverty and sheer hopelessness refuse to disappear. The development strategies pursued by most Third World countries have not produced the wide distribution of benefits some thought would naturally follow from the attainment of reasonable rates of growth.

Past Development Efforts

Increase in the gross national produce was regarded as the single best measure for national progress, as it represented more resources that could be used for more equity at some future time. Large scale industrialization rather than agricultural and rural development tended to be seen as the engine of development. Growth would be accomplished by progressively increasing investments in industry and by shifting the surplus labor from rural to urban based industry. Thus, improvement of the living conditions of the largest part of the population, those in the traditional, rural sector was neglected.

There are two counterarguments put forward by proponents of a growth approach to fostering national development and eventually development of the rural populace. One approach is through more rapid overall growth alone, leaving the income distribution to market for-

ces. Under this approach, which implies high rates of investment, redistribution of income could occur as a by-product of overall output.

There are at least three reasons why this approach may be questioned (ILO, 1977):

1. It is doubtful whether the majority of Third World countries will be able to achieve and sustain the very high rates of growth required;
2. In certain countries a substantial portion of the population or entire regions have not automatically benefited from overall rapid growth; and
3. The very high levels of investment required may lead, in an initial period, to maintaining if not worsening substandard levels of living that are unacceptable from a social and political point of view since little capital would then be available for schools, health and welfare, and other social services.

The second counterargument as to why a growth approach can be of benefit to the rural populace is a strategy based upon redistribution with growth (Chenery et al., 1974). This approach would raise incomes of the poverty group faster than the average by a redistribution of income as well as by growth. Such redistribution could be brought about through a combination of (1) changing the relative prices of the products and the labor services that the poor provide compared with things they buy; (2) introducing consumption transfers which benefit the poor; (3) introducing investment transfers to the poor; and (4) redistributing part of the existing stock of capital to the poor.

Many of the same criticisms leveled against a strictly growth

approach can also be leveled against a redistribution with growth approach. The growth rates required under this second approach would be less high and would normally be more realistic than in the first approach, but there might be great difficulties, political and otherwise, in implementing policies for redistribution.

It is now apparent that two decades of rapid economic growth have been of little benefit or no benefit to many people in the Third World. The World Bank estimates that nearly 800 million people or roughly forty percent of the population of the Third World still live in absolute poverty. In addition, the World Bank estimates that about 650 million people have per capita income of less than US \$50.00 (World Development Review, 1983, p. 7). It seems certain that the true number of the poor is very much greater. An International Labor Organization (ILO) study entitled Employment, Growth and Basic Needs (p. 21) indicates that in 1972 some 1,200 million people in the Third World (67% of their populations) were seriously poor and some 700 million (39%) were destitute and suffering from malnutrition. What is more, there is no doubt that the numbers of the poor have increased in spite of the rapid economic growth in most Third World countries. If one examines the thirty-two countries for which data are available in this same ILO study, it will be found that the number of destitute people increased in seventeen countries from 1963 to 1972. Among other indicators in this study, UNESCO estimates that the total number of illiterate adults rose from 700 million in 1960 to 760 million in 1979.

Basic Needs

The arguments for the adoption of new approaches to development arise from the record of the last quarter century and from the prospects for the next quarter century. As already seen, the conventional development strategies which rely upon a trickle down growth approach have not succeeded in reducing the numbers of poor and under employed people. The approach which now seems to be receiving more and more attention is the explicit goal of the satisfaction of an absolute level of basic needs for all people. The concept of basic needs has two elements according to a report prepared for the World Employment Conference (ILO, 1977). First, they include certain minimum requirements of a family for private consumption: adequate food, shelter, and clothing are obviously included as are certain household equipment and furniture. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, transport, and health and education facilities. Many development planners and practitioners (Kindervatter, Wignaraja, Curle, Green) feel that this stress on meeting basic needs is too limiting. There are a series of other, non-material needs, which are equally important. In Nonformal Education As An Empowering Process, Kindervatter (p. 40) cites Wignaraja who writes:

The objective of development is to raise the level of living of the masses of people to provide all human beings with the opportunity to develop their potential. This implies meeting such needs as continuing employment, secure and adequate livelihood, more and better schooling, better medical services, cheap transportation, and a higher level of income.

It also includes meeting non-material needs like the desire for self-determination, self-reliance, political freedom and security, participation in making the decisions that affect workers and citizens, national and cultural identity, and a sense of purpose in life and work (in Wignaraja, 1976, pp. 4-5).

This expanded definition of a basic needs approach which also encompasses non-material basic needs is supported by Curle (1973) and Green (1976) who write about the whole range of human needs. In particular, they cite such things as personal consumer goods, universal access to services, productive employment both yielding high enough output and equitable enough remuneration. Individuals, families, and communal units should earn (and produce for their own use) income providing effective access to consumer services, and, mass participation in decision making and review and in strategy formulation and control of leaders as well as in implementation of projects and carrying out decisions (Green, 1976, p. 48).

Development--What, By Whom, for Whom, and How

While numerous documents support a basic needs approach which seek to meet both material and non-material needs, an increasing number of people are beginning to feel that issues relating to participation and control are most important. Without control over the directions of development, needs become simply that which someone else feels is needed. This may not be at all what is actually desired by people. Such writers do admit that full participation is unfeasible at present in many Third World countries in terms of civil and politi-

cal liberties. They feel, however, that participation at the local/micro level is a positive step in the right direction. In Latin America primarily an entire school of thought has developed over the last fifteen or so years which is becoming increasingly important both in Latin America and elsewhere which takes except to what they feel is a piecemeal/inconsequential step to full participation and control. As represented by Freire (1972), Illich, Gutierrez (1973) and others, an ideology of liberation has been developed which states that all people have the right to control the resources and direction of their futures. Since control of development decisions is withheld from the people, the people have a right to challenge their governments and to overcome these oppressive forces. The end result, according to this belief, will be the full development of the human personality.

Nerfin in Another Development, Approaches and Strategies (1977), while not addressing the problem of liberation directly, looks at the problem in a similar way. In essence, its message is that there can be no genuine development and no really new international order if certain key questions are not asked--and concretely asked--such as development of what, development by whom and for whom, and development how. According to this view a basic needs strategy must be seen in a political, economic, and social context. Basic needs without the political empowerment for the rural populace can never be effective. Van Zwanenberg in Toward Village Industry (1978) states that rural industrialization and development must be seen within a total socio-political strategy. He goes on to state that

it is noteworthy that rural development programs under apparently different political systems contain largely the same elements which indicate, that despite ideologies, certain elements are believed to be essential for rural development. Agricultural programs, schools, health services, technical training, home management, child care are all found in rural development programs. . . . There are differences in success from one program to another. These differences indicate the crucial role of the political system under which a rural development program is applied. Some essential factors often missing are the mobilization of the population and the coordination and integration of all development efforts. (p. 23)

Development as defined in this study thus covers the entire gamut of change by which a "social system with optimum regard for the wishes of individuals and subsystem components of that system move away from a condition of life perceived as unsatisfactory toward some condition regarded as humanely better." (Goulet, 1978, p. 248). If these changes are to be regarded as development, some degree of calculation must be present on the part of the particular country's decision makers regarding the ideal speed that change should take place and the minimal costs to be paid. According to Goulet in the Cruel Choice (1978) it matters greatly which values ought to be fostered in the effort to obtain a humanely better life. In fact, everyone who defines development makes an explicit or implicit decision regarding several basic values according to Goulet.

These are the degree of mastery to be exercised by persons over things, the level of critical awareness to be judged desirable in different classes of people, the degree of power sharing, and the destruction of particular interests in favor of wider mutuality. (Goulet, 1978, p. 333).

Certain quantitative improvements in basic needs (in food, income, educational services, health care) are clearly necessary to improve

the quality of life. Nevertheless the most important elements of development are not subject to quantitative measurement. Development must be measured by the values the society itself or some members thereof deem to be important for its health and welfare.

All efforts at diagnosis and solution center on value judgments about what a better human society is. For some a better society is one where greater access to opportunity and tangible benefits is created; for others the goal is effective equality; for others the goal is to assure the carrying capacity of the eco-system (i.e., renewing resources, achieving zero population growth, and harnessing technology).

Of interest is Goulet's statement that "more crucial than the ideology it expounds, however, is whether a society conceives of development merely as the pursuit of certain benefits or as the quest of these benefits in a certain mode." (Goulet, 1978, p. 333). How benefits are obtained is as essential to defining development as the fact that they are obtained. This is not to say that benefits sought are not important. Yet it matters enormously how these gains are sought or obtained: in a pattern of low or high dependence on outside powers; in a relatively equitable way or in a way which enhances the privileges of a favored few; in a paternalistic imposing way or in ways which empower people to choose their own goals. If true development is to take place, hitherto passive subjects must become active agents of change that affect their lives.

Illich views the problem in a similar light (1980, p. 96).

Ten years ago we tended to distinguish political options exercised within the public sector from technical options left to the experts. The former were meant more to focus on goals, the latter more on means. Options about the desired society were regarded on a spectrum that ran from right to left. Now means become issues that the citizens want to decide.

The Effects of Development on the Traditional Sector

Let us now focus on how development objectives affect the rural populace. As previously mentioned in the introductory chapter, most development literature views the traditional rural economy as existing prior to and being in a way opposed to the modern sector. Much has been written about how to transform this rural sector, how to modernize it. Different theories of economic development foresee the gradual disappearance of a traditional, rural sector on a worldwide basis. Some theorists and planners believe that it is possible to transform rural households into market oriented farms or enterprises similar to those which emerged in the Western world in the previous century. Others (Weitz, 1971) see the process of capitalist development in the rural areas producing on the one hand the concentration of wealth and resources in the hands of a new entrepreneurial class and on the other hand the progressive proletarianization of the dispossessed villagers.

While a small number of entrepreneurial villagers do indeed develop, this is not a generalized tendency. This approach is doomed to failure because, though it can create a small middle class, it has not been able to lessen the problems of mass poverty. In theory,

workers move from rural subsistence farming and other rural activities into higher per worker productivity employment in rapidly expanding manufacturing and service industries, the size of farm holdings increase, farming becomes highly capitalized and per capita labor productivity in agriculture increases to match urban industrial levels.

In reality this model of development has fostered among other things, the destruction of the social fabric of the rural areas. According to this model traditional rural structures must first be destroyed before the rural areas can be developed. The model implies that the modern sector is the prime mover in transforming the subsistence economies of the Third World. Thus, the march of progress is the physical expansion of the modern sector with a simultaneous diffusion of its capitalist mode of production into the traditional areas. Sooner or later, it is hoped, the traditional areas will be transformed into the image of the modern sector. The poor of the rural areas especially find themselves displaced from employment by the advanced industrial techniques of the modern sector and by strategies that tend to place emphasis on complex and imposed organizational structures. The result, in reality, is that the rural areas are undermined and impoverished socially, culturally, and economically.

The tendency toward economic polarization or dualism between the modern, urbanizing sector and the traditional rural sector is happening on a worldwide scale throughout the Third World. However, contrary to classical thought the traditional, rural sector is not disappearing. In fact, it is increasing. The reasons for this are

complex. An understanding of the economic pressures under which rural villagers operate is essential to an understanding of rural poverty today. A beginning point is a definition of what is meant by the term traditional or rural sector. The traditional sector emphasizes the small scale production of subsistence crops for local consumption by domestic groups based mainly upon the use of family/kinship labor (Nerfin, 1977). According to Gudeman in The Demise of a Rural Economy: From Subsistence to Capitalism in a Latin American Village (1978) the mode of production is the key determinant. It is generally communal, labor intensive and often equitable. Producer, means of production, and product are not separated, free labor and a labor surplus are not found and surplus is cumulated and reinvested.

Traditional villagers, as producers are only loosely integrated into the modern sector.

Village household income generally can be of three types: (1) monetary income from the sale of farm produce, (2) domestic consumption of farm produce, and (3) income from off-farm activities. Most agricultural development projects stress cash cropping. Expansion of cash cropping often displaces cultivation of food and subsistence crops. Regular food stuffs thus are not assured and the increase in monetary income is not always an indication of well being (ILO, 1977, p. 26).

Their world continues to be the local community with its own structures, religious and political life and cultural values. Villagers cultivate the land primarily for their own livelihood rather than for monetary gain.

To Illich production for subsistence is production for need, whereas production for surplus is production for want. "Development

implies the monopoly of wage labor over all other work. It implies the redefinition of need in terms of goods and services mass produced." (Illich, 1980, pp. 96-101).

In small domestic household units the villagers have through the years produced primarily to meet their own needs and not to increase wealth. In support of this, Gudeman (1978, p. 37) states,

For the village men a source of pride is being able to order oneself in the fields and not having to work for cash. When one's own work is finished, then earning money takes on a different complexion. It becomes an extra, an abundance. Market goods are attractive but not bound up with the fundamental definition of the individual within the community. His pride is in his work rather than accumulation in production.

According to Gudeman, the rural areas, in the view of the people, do not generate capital, meaning funds for investment. Lacking capital the villagers are unable to obtain outside capital, for government agencies and commercial banks generally require that a borrower have collateral to support a loan. On the other hand, many people also do not want the obligation, the risk, and the danger of a long term debt to an outsider. "Production for use can thus be seen as both a protection against and a reaction to exclusion from market capital." (Gudeman, 1978, p. 48).

In the neoclassical, marginal models, the term surplus does not have a single meaning or precise analytical status. Surplus might refer to the retained earnings of a firm (assets in excess of obligation). In the context of the marketplace the term is devoid of meaning, for so long as the free market obtains, as long as the "invisible hand" is operating, then prices will always be the result

of the adjustment between supply and demand, and there can be no surplus of goods, no excess of supply.

The concept of subsistence occupies an equally ambiguous position. Often it is no more than a list of characteristics. A subsistence level then becomes simply a definition--a standard of living above the base minimum but controlled by socio-cultural factors (Wharton, 1971). On occasion this marginal theory of the firm is applied to subsistence villagers to accommodate them to neoclassical economics. Many of these models are built upon the original work of Chayanov (1966). Nakajima ("Subsistence and Commercial Family Farms. Some Theoretical Models of Subjective Equilibrium" in Subsistence Agriculture and Economic Development [ed. C. R. Wharton] 1969) provides a series of economic models. "For the family farm in equilibrium the marginal productivity of labor equals the marginal valuation of family labor. . . . The amount of output is determined by the production function." Many of the same criticisms that were leveled against Chayanov can be applied to these newer models, i.e., the assumption of equilibrium or unchanged output through time and especially the assumption that the farmer is isolated from the broader economic system (Gudeman, 1978, p. 46).

Opposed to the neoclassical approach is the specifically Marxian version of subsistence and surplus. For Marx (1977) surplus arises from the difference, which the capitalist is able to exploit, between the individual's labor and his labor power. Labor means that which the worker adds to an object or extends in production. The

capitalist purchases this labor power. Here, according to Marx, is the origin of profit. In the Marxian framework subsistence and surplus are closely linked to those of exploitation and the relations of production. Exploitation is the extraction of surplus and plays a role in the mode of production. The problem with this analysis according to Gudeman (1978, p. 47) is that "Marx was writing about the capitalist system of production. There is no clarity if his analysis can be applied to a pre-capitalist traditional sector."

Perhaps the problem of seeking the determinants of a subsistence level can be understood better by contrasting, in a broad sense, the two approaches in economics used to explain value. For the neoclassicist, value is not the absolute quality of an object. It is the relationship between objects. Value is the price at which two things are exchanged in the marketplace.

For the Marxian there is an absolute definition of value. The value of a good or person is the labor time socially necessary for its or his production. The value of the labor is the labor time needed to produce his subsistence.

The crucial element may be the size of the laborer's share of the output compared to that of the capitalist. The focus is not on the subsistence level itself but on the subsistence portion in relation to the surplus. Robinson in the Accumulation of Capital (1956) pointed out the rate of exploitation (the ratio of new profit to wages) varies by different cultures. The essential problem is thus to understand the determining factors of distribution without reducing them to

purely economic forces or some presupposed standard of living.

Gudeman (1978, p. 60) concludes by stating:

I hold that an explanation of the subsistence level must be sought in its relation to the magnitude of the surplus and its use, and that an explanation of this broadscale distribution in turn must be sought within the overall patterning of the socio-cultural fabric and institutions of production.

Conclusion

The traditional sector thus plays a dual role in Third World development for the benefit of the modern sector. On the one hand, rural productive activities, as limited and inefficient as they may be, serve to hold villagers on the land thus lessening the pressures on the urban sector in a situation of labor surplus. The traditional sector is able to supply labor to the modern sector more cheaply than from other sources. It is in the interest of the modern sector to maintain the traditional sector to a certain extent as long as it remains subserviant to the modern sector.

The other role that the traditional sector plays is that of a refuge for millions of people who, unable to find a job in the modern sector, might starve and who might otherwise place tremendous pressures on the political system. Far from disappearing, the traditional sector linked to the modern sector turns out to be a major economic and social system in large parts of the world today.

The traditional sector is by no means a marginalized or isolated vestige of pre-capitalist economies. It can not be forgotten simply because the theories of economics say it should have disap-

peared long ago. It is among the villagers in the traditional sector that are found the millions of poor which the World Bank states is the major challenge of our time (World Bank, 1975).

If the rural areas of the Third World are to be seen as more than just reservoirs where unemployed and low productivity labor is stored, rural productive activities must be given a chance to grow. The pressures of the modern sector upon the traditional sector affect not only the number of income earning activities but also the realistic attainment of the total range of basic needs for all rural people. The traditional sector needs growth within its own social system as it still exists to obtain basic needs instead of via a rush to accept the modern sector and all it represents. New arrangements must be sought that will provide opportunities for people in the traditional sector for a better life for themselves and their children which does not expose them to the exploitative elements of the modern sector.

C H A P T E R I I I

INDIGENOUS GROUPS AND THEIR RELATIONSHIP TO INCOME GENERATING GROUPS

In the preceding chapter some of the larger contextual issues associated with Third World rural development were discussed including an examination of the effects of the modern sector on the rural sector. In this chapter the needs, categories and functions of indigenous self help and self managed groups and how they may develop into self managed income generating groups will be examined. Also, this chapter will present a definition for a self managed income generating group. Finally, a framework for analyzing income generating groups is outlined based upon a review of income generating activities from various Third World settings.

The Group Activity Needs of the Rural People

The needs of rural people as they attempt to establish group ventures are immense. Whereas most needs are situation -specific, there are some generalizable needs. Coombs in Attacking Rural Poverty: How Nonformal Education Can Help has grouped into general categories the needs of rural people:

1. Engineering help in building basic physical infrastructures; in particular, improved water supplies, roads, etc.
2. Technical knowledge on farm planning, agricultural production, and marketing skill techniques.

3. Economic and logistical help in securing credit to provide for production inputs, transportation costs, etc.
4. Social Services (including education to improve their quality of family and community life) with respect to health, sanitation, nutrition, housing, and clothing.
5. Organizational development and management services to:
 - weld the above elements into a dynamic process,
 - provide an effective forum whereby rural groups can articulate and communicate their needs,
 - identify and utilize local resources (labor, finances, production skills, managerial skills),
 - develop desirable relationships between people, especially through cooperative work,
 - assist development of agreement whereby people work together in an orderly, productive fashion,
 - provide basic training in action research (group needs, identification, planning, implementation, and evaluation),
 - utilize problem identification and solving abilities,
 - increase knowledge of government services, policies, programs, and targets.

It is this fifth category that is so often overlooked or taken over by the rural development specialist to the neglect of the rural people themselves.

Even when services and supplies are present, they can not be made to function adequately and effectively without a mechanism for management, coordination, and adaptation at the local level.

The Cornell Rural Development Committee studies (Uphoff and Esman, 1975) of local organizations in sixteen Asian nations concluded that in those countries with more organizations reaching down to the

local level, and where such organizations were accountable to local people and involved in rural development functions, there was a greater accomplishment of rural development objectives. In support of this view, yet moving beyond it, Development Alternatives Inc. (1975, p. 1) concluded after studying thirty-six rural development projects in eleven African and Asian countries that "to maximize the chances for project success, the small farmer should be involved in the decision making process and should be persuaded to make a resource commitment to the project." The study identified the existence of functioning local organizations, controlled in large part by small farmers, as the key to small farmer involvement. Thus, it is argued that such local organizations can help facilitate broad-based social and economic change through linkages with regional and national change agencies.

Role of Modern Cooperatives in Meeting the Needs of Rural People

Up until this point there has been a hesitancy to use the word "cooperative" in this study. Current opinion in development circles is critical of cooperatives for some very good reasons. Numerous studies in the last ten years show a host of failings with cooperatives. Often, cooperatives are only nominal operations, lacking technical, accounting, and other skills to operate effectively and having little membership enthusiasm or input. Earlier hopes that cooperatives would be vehicles for introducing modern and productive development have

seldom been fulfilled. Of growing concern is the intentional or de-facto exclusion of poorer groups from active and effective participation in most rural cooperatives. In the Comilla Project in Bangladesh, for instance, despite the efforts initially invested to give access to all of the credit and technological benefits of cooperatives, with time they appear to have been coopted mainly by the more prosperous farmers (Blair, 1978, p. 65). It appears that larger farmers seem sometimes to be using cooperatives to their advantage at the expense of poorer ones. From his assessment of cooperatives, primarily in India, Hunter (1970, p. 206) concludes, "They are not a tool of first choice regardless of the stage of development, particularly in the early stages of modernization."

There is another drawback to modern cooperatives, though not necessarily at fault as originally designed. Cooperatives are frequently encouraged by central governments. Their motivation for doing so includes the desire to set up a bureaucratic structure through which the central government could increase its control over the countryside, and perhaps at the same time ensure that the excess production of agriculture is drained off for the purposes of the national society centered in the capital city, as described by Hyden and others. In some cases, the cooperative structure was conceived of as the mechanism through which the rural people could be mobilized against some enemy of the government. Whatever the ends of the government or of the segment of government responsible for cooperatives, the end result was to treat the cooperatives essentially as a

political arm of the government.

Cooperatives can also be politicized in other ways. Gagnon points out that the cooperative structure in some countries (Senegal and Tunisia) became a new and separate power base that threatened to enter into competition with the existing party or other structure (Nash, 1976, pp. 365-380). In both these cases, the party and administration hastened to intervene to control the cooperative movement.

In contrast to the cases where the government of a developing nation encourages the cooperative movement so as to draw the rural poor into the control of the national political system, some (Nash, Chandler and Hopkins, 1976) feel that governments believe cooperative structures are felt to be more suitable for the marginal sectors of the population. By conceding them a certain degree of autonomy and an aura of modernity, such sectors could be compensated for their very marginality; the cooperative becomes a sop thrown to the marginals. Put another way, the cooperative is assigned the task of easing the integration of these individuals and communities into the national society; as soon as there are real economic values in these marginal sectors, the cooperatives are then superseded and transformed.

Hunter and other critics still concede a place for cooperatives in rural development efforts, particularly if the kinds of adverse experiences are taken seriously by planners and administrators (Hunter, 1976, p. 206). Fals-Borda, Adthorpe and Inayatullah (Nash, 1976, pp. 431-458) identify the need for administrative reforms that would provide more flexibility to respond to varied local conditions

and wider representation and participation where membership is confined to a minority. Beyond this, they see utility in having some additional new social organizations that promote peasant interests, while cooperatives concentrate on economic improvements within their scope.

Some social organizations that promote peasant interests will next be examined but first the basic principles of the traditional cooperative model will be reviewed.

Structure of Cooperative-Type Forms

Cooperatives or similar organizations have undoubtedly been in existence since the early days of civilization. Historical information suggests various forms of cooperative activity since the days of Babylonia and ancient China. Cooperative activity in the United States began early in its history, but gained momentum in the early years of the twentieth century. During this same period, cooperatives were also expanding into many countries, particularly those of northern Europe, such as the Owen Cooperative of 1832 and the Rochdale Weavers Cooperative of 1843, which have served as the model for most present-day cooperatives. These producer cooperatives, while accepting the free market as a base for economic organization, nevertheless, worked toward limiting the control of capitalist institutions by providing islands of autonomous worker-run production and distribution. Only later did the Owenite and Rochdale ideals of democracy, voluntary action, autonomy, equity, and mutuality become

converted in rules that subscribed to capitalist institutions in England, Europe, and in the United States in the twentieth century.

Generally, most modern rural cooperatives activity arose in response to low prices for farm products and high prices for inputs, wide marketing margins, excessive transportation costs, and in general, a lack of farmer bargaining power. Underlying the establishment of cooperatives is the belief that individuals working together can enhance their economic position while at the same time effecting some positive influence on the marketing system and in some cases the greater social system.

To talk of a cooperative or a collective is quite vague, as the range of concrete examples can be extensive. The basic meaning of the word refers to the organization of work; in principle, it refers to an organizational structure in which all work is shared equally between workers and managers, and so exploitation is absent. Such an organizational structure is, however, more difficult to achieve in practice than to imagine in theory.

Primary Characteristics of Western-Style Cooperatives

A number of features distinguish Western-style cooperative enterprises (British and Swedish models) from other types of business organizations. Primary characteristics are three basic principles of cooperation (Anschell, Brandon, Smith, 1969, pp. 14-19):

1. Service at cost--This principle implies that the members of a cooperative share in the savings (and the losses) of the coopera-

tive in direct proportion to their patronage. Thus, the members pay the actual cost the cooperative incurs in offering its services.

Since it is virtually impossible for the management of a cooperative to accurately predict the revenue and expenditures of the cooperative in advance, and since some members would look unfavorably upon being charged an assessment if the cooperative operated at a loss, the usual management practice is to set initial prices high enough to avoid operating at a loss. Some savings, then, will invariably result and are distributed to the users on the basis of their patronage. Various business practices have emanated from the principle of service at cost. An example is the revolving fund method of financing a cooperative. In an effort to keep a cooperative financed by current users, a method of capital accumulation referred to as the revolving fund has been widely adopted by U. S. cooperatives. This method operates by returning a portion of cooperative profits to the patrons and by placing the remaining portion in a revolving fund as a means of raising capital.

Another issue flowing out of the service at cost principle and the patronage refund policy is the price policy pursued by a cooperative enterprise. The practice adopted by the Rochdale Pioneers and generally followed by British and American retail cooperative societies is to "sell for cash at market prices." Since some savings will usually occur, they will be paid to members as patronage refund. The Swedish cooperatives generally follow a policy which sets the initial price as close to the co-op's costs as possible. The philosophy

with this approach is to pass the refund/savings on to the patrons on a day-to-day basis, through lower prices rather than in the form of a yearly refund.

2. Democratic Control--The evidence suggests that the cooperative works best (most according to the co-op norm) when there is a maximum flow of information between all the individual members of the cooperative so that not only do they have rights to formal participation in the decision making, self-governing process, but also they have the knowledge and skills with which to exercise these rights.

In theory, democratic control means each member of a cooperative has one vote, regardless of the amount of equity capital he contributed, which is exercised through periodic meetings. The result keeps the co-op oriented toward the interests of members as patrons rather than as owners of equity capital. However, many cooperatives have failed to meet this norm and have delegated control in effect to an elected board of directors or a hired management.

3. Limited Interest on Capital--Capital invested in a co-op must be merely a means to an end. It must be rewarded for its use, but it must not be allowed to become a means for control. Thus co-ops limit the amount of return on equity capital to around 4-8%. Also, equity capital obtained by withholding patronage refunds is frequently paid no interest.

Most of the preceding discussion has dealt almost exclusively with "Western" models of cooperatives. This cooperative model has

been relatively successful in the United States--sixty percent of all dairy products, forty percent of all grain, fifteen percent of all fruits and vegetables are marketed cooperatively in this country (Anschel, Brannon, Smith, 1969, p. 20). However, the use of this model to replicate success in the Third World is questionable at best. Lack of initial investment capital, incomplete organizational and management services, lack of rural infrastructures and production inputs; and control or competition from the national government or larger agricultural firms may pose virtually insurmountable obstacles to Western-style cooperative formation.

In conclusion, the Western-style cooperative originated in a particular society for specific reasons at one distinct time. These origins gave this style of cooperative a unique form. It began in that part of the world whose population had been conquering and colonializing the rest of the world for several hundred years. Thus, the adaptation of agricultural "cooperatives" to conditions in the Third World that were formerly colonies of European powers may require an ideological disassociation from a Western-style cooperative model.

Alternative Cooperative Models

The cooperative ideas that this study has examined and critiqued have been imported from Europe to Latin America since the middle 1880s and to Africa and Asia since the beginning of the twentieth century pose the usual problems of transfer, diffusion, and adoption of an alien culture-bound organization.

After several decades of trial and error in effecting this cultural transfer and after the addition of models from the United States, Scandinavia and Israel, on the whole the results achieved at the local level, especially from a social viewpoint, are not convincing. The question arises, then, about the wisdom of continuing along this dubious path, with its low probability of success and its waste of expectations, talents, resources, and funds. More promising solutions to the problems of social change must lie elsewhere. Given the levels of organization and resources already invested in the cooperative sector, the possibility of cultivating new forms of rural cooperatives should be explored before beginning the search for other solutions.

It is the contention of an increasing number of developmentalists that traditional indigenous cooperative organizations can play an important role in the economic and social welfare of small farmers. A Cornell Rural Development Committee report gives strong support to local organizations:

The individual smallholder is powerless without organizations to provide essential services, to express his needs and to have his grievances attended to. Through local organizations the scarce administrative capabilities of the state can be multiplied as local structures retail through their channels the information, credit, fertilizer and other inputs provided through the state. In performing these allocating functions, in regulating conflicts, and in providing feedback to governmentally-initiated activities, local organizations can bring specific local knowledge to bear on problems and can tap the latent managerial abilities of local people. (Uphoff, Esman, 1975, p. 67).

Rodger Darling (p. 28) takes this view of indigenous local

organization one step further. He feels that indigenous human factors are the primary determinant of development. Development is achieved through indigenous processes, stimulated by indigenous motivation, guided by indigenous organizations, fueled by indigenous capacities working to fulfill goals that represent indigenous values. Performing but a limited role, external resources contribute to development only where they reinforce indigenous human factors.

Range of Indigenous Cooperative Organizations

There is a wide range of indigenous cooperative organizations.

Their functions (Uphoff, Cohen, Goldsmith, 1974, p. 38) include:

1. Insurance--where all members of a group share the resources with anyone meeting personal tragedy such as a family death
2. Welfare--to assist community members through redistributive practices
3. Reciprocity--to help break resource bottlenecks like exchanging labor during busy times such as field preparation on a mutual basis
4. Provision of public goods--to get all contributing collectively to some needed, common service such as a water pipe, a road, or a school
5. Pooling of productive assets--by combining labor, land or water resources to expand productive possibilities.

These five categories are often combined, sometimes as need arises, into multi-functional organizations. The major forms (Uphoff, Cohen, Goldsmith, 1974, p. 40) of traditional cooperative organizations include age-grade groups, burial societies, religious celebration clubs, rotating credit and savings groups, mutual aid teams,

water user associations, among others. They can range in size from a small group to large networks based on varying patterns of kinship, friendship, or territory. In general, most traditional cooperative groups can be classified by: (1) being built around the sharing or use of a particular factor of production; or (2) being defined in terms of group member characteristics like age, sex, ethnic identity. Yet there are some so complex and multi-functional that they cannot be classified. Gotong rojong associations in Java are one example. They encompass village public works, cooperative agricultural labor, burial benefits, and land donation (Koentjaraningrat, 1961, pp. 29-37). Several indigenous organizational forms that require a closer examination are labor-based organizations, capital-based organizations and organizations based on common characteristics.

Labor-based organizations such as mutual plowing, weeding and harvesting organizations are common in many parts of the world. People gather together to do work for one member then all work for other members in turn. Some such organizations are quite permanent while others will last only a few days. One such example of collective labor for community benefit is the basumba group among the Sukuma of Tanzania. Each village had a group of basumba, young men who lived at home, who were available to assist whenever community help was needed.

Another very common traditional cooperative organization is the rotating credit and savings association. These take a great variety of forms even within a particular country. The typical pat-

tern is for a group of people to pool funds on a periodic basis, with one person at a time getting the whole amount.

A related group activity involves members jointly saving to purchase equipment or materials that will benefit them all, such as when women buy a labor-saving corn mill. Such groups may move into an increasing cooperative mode of operation when they jointly operate and benefit from the group purchase. Relatively substantial amounts of money can be mobilized in this manner and the bonds of mutual confidence can be the starting point for increased joint activity. However, it has to be determined in each case whether the membership is willing to re-orient the group to tasks other than that for which it was formed.

Group management of natural resources, land and/or water, is another important basis for indigenous cooperative organization. "Modern" but nonetheless indigenous are the cooperatives set up by entrepreneurial cocoa farmers in Ghana in the earlier part of this century to acquire new land and bring it into production (Hill, 1963). Such organizations showed a talent for mobilizing capital, developing group loyalty, and increasing production, though benefits were mostly individual. The organizational expertise was present. It was only waiting to be tapped.

Traditional organizations formed according to certain common characteristics should also be considered as a basis for cooperative development. One common example is the funeral society where groups of families help each other meet the sudden expenses of death by

contributing money, food and support to the family. Religious self-help groups such as Moslem brotherhood societies are also in this category. These traditional organizations and many like them may provide the necessary management and organizational building blocks that Western models of cooperatives have been unable to provide. The possibility of utilizing traditional cooperative organizations should be actively explored, making no assumption in advance that they are incapable (or capable) of fostering rural development.

International Response to Indigenous Cooperative Organizations

The World Bank itself in a study of over seventy World Bank projects has begun to advocate a re-assessment of the role that traditional cooperatives may play in the social and economic development of small farmers. The study found that the Bank "has not attempted to fully utilize the resources of indigenous patterns of cooperation in project design." (Sanders, 1977, p. 33). To meet the Bank's goals, appraisal and design teams should:

1. Identify existing informal institutions for cooperation in project areas;
2. Facilitate their development as informal service organizations through appropriate project design;
3. Draw on some of their members for local training programs;
4. Sensitize project managers and government officials to the need to promote indigenous cooperative patterns; and
5. Encourage experimentation in the design of strategies to achieve these ends (Saunders, 1977).

Unfortunately, the kinds of traditional cooperative organizations described above are on the decline. As a result of the development of the capitalist system on a worldwide basis, the division of labor as the process of work becomes ever more encompassing leads to specialization of function and of knowledge. This emergence of greater monetization and wage labor has undercut the need for mutual self-help teams and other such groups. Still, development has not proceeded so rapidly that traditional associations are hard to find. Development planners should be attuned to their existence and functions and draw upon their strengths to assist rural development.

Management Issues in the Transformation of Indigenous
Local Groups into Income Generating Groups

Inherent in this call for greater utilization of indigenous cooperative groups is a reliance on leadership and management skills within these groups. However, it has been argued by some that local groups can only be effective with strong leadership, and since such leadership is often lacking among the poor, the potential for participatory organizations of villagers is usually limited (unless strong organizational skills are imposed from above).

It can be argued that traditional local groups have the latent and actual ability to manage their own affairs as has been demonstrated by countless indigenous groups. Management problems will occur when rural people are formed into full-fledged Western-style cooperatives with little preparation other than the traditional top-

down training seminars conducted by cooperative experts trained in developed countries. According to this view a much slower progression should occur. Individuals who enter into a group for the accomplishment of some immediate need and who then feel mutual confidence by the accomplishment of that task would be more willing to build upon their success than would a group which is formed by an outside change agent into a complex cooperative organization. Management and organizational effectiveness are intricate, many-faceted concepts. To force individuals from a simple to a complex organizational framework without a series of intermediate steps may be counterproductive. Increasingly complex management and organizational patterns must be learned at a much slower pace. The factor of risk is an important consideration. Rural individuals are more willing to take risks if the step from one organizational form to another is small.

In support of this Tendler (p. 7). found that utilizing an indigenous association is most likely to succeed when it is small and unconnected with other groups, and when the project is:

1. Organized around a concrete goal;
2. Begun with a simple task;
3. Based on present skill levels of members;
4. Focused on tasks that only can be done through cooperation.

Saunders has completed a somewhat longer list, from World Bank experience, of factors affecting the performance of cooperative efforts by rural people (Saunders, 1977, pp. 20-32). Activities are

likely to have more success and participation if:

1. The proposed benefits are seen as valuable and direct;
2. The skills and time demanded are not too great;
3. Past experience with self help activities has not been negative as with colonial corvee labor;
4. The population in the area is socially cohesive;
5. There has been traditionally a basis for cooperative action;
6. Membership is small enough for face to face contact among members;
7. Kinship organizations can be involved in forming the groups;
8. Project components are tailored to local conditions;
9. Local leadership can be given significant responsibilities and can be held accountable to the group;
10. Domination by more powerful members can be restricted; and
11. Organizations and policies are not simply imposed from above.

Summary of Indigenous and Government Controlled Organizations

There are two main types of rural organizations which seem to emerge from most studies (FAO, Tendler, 1976, Korten, 1980). These are government initiated and/or controlled organizations and indigenous organizations.

Government organizations are the more common type and these usually have the following characteristics:

1. They are founded and sponsored by an outside, usually government agency, with a top-down approach to development,

for, rather than by, the people, rather than a bottom up approach. The idea is that benefits will trickle down from above;

2. They are more formal and official;
3. Their setup is often inspired by alien concepts, principles, policies frequently imported from abroad;
4. They are sometimes elite oriented and/or dominated with the result that the elites benefit more than others.

Indigenous rural organizations usually share the following characteristics:

1. They are started by the people themselves and not by a governmental or outside agency;
2. They are informal and unofficial;
3. They are more flexible in objectives and setup;
4. Their leaders and their members are mainly the poor who reach decisions in face to face interactions. (Often the term group or grouping is more appropriate than the term organization);
5. Their activities are related to the day-to-day situations and needs of the rural poor. The poor, understandably, are more attracted to join and participate actively in groups where they have active representation.

The most important thing may not be the fact that these groups are indigenous but that the groups are not created by outside agencies. It may be better for governments to work with what is already in existence than to create something entirely new and alien to rural people.

In sixteen country studies from around the world conducted by the FAO entitled Participation of the Poor in Rural Organization it was shown that unless compelled the rural poor only actively par-

ticipate in rural organizations of their own making.

In the five African countries (Kenya, Ghana, Cameroon, Senegal, and Niger) examined by this same FAO study, the main types of rural organizations surveyed were cooperatives, trade unions, and farmers associations and groups including those promoted by governments as well as non-government aid agencies. The main findings were that in all countries except Niger the organizational setup of the cooperatives is imposed by law and there is an over presence of government influence. In Cameroon, for example, the Minister of Agriculture appoints the presidents and directors of the cooperatives. In Senegal even minutes of general meetings are recorded on printed forms provided by the government. Membership is usually open to everyone but women and youths are often left out. In some countries, like Kenya, land ownership is a membership requirement thus excluding large numbers of landless farmers and other rural poor. Leaders and managers usually come from the more powerful and well off social groups. Most cooperatives favor the better off and neglect the less prosperous members. There is hardly any training for the ordinary member. Savings from cooperatives and profits and hence investments and capital accumulation is not encouraged. Thus, a major means of development participation is omitted.

Of the projects that the FAO study felt were successful (i.e., local initiative to meet local needs and increased income) such as the Harambee Self Help Activities in Kenya and the Bakel Grouping of Producers in Niger, all had in common:

1. Little or no institutional "blueprint";
2. All members actively participate in decision making and contribute labor and cash to the projects;
3. They were built upon traditional forms of mutual aid;
4. They strongly reinforced social cohesiveness; and
5. They fostered local leadership (FAO, p. 63).

The study went on to comment that in some countries nongovernment aid agencies such as church groups like the Christian Council of Churches are practically the only organizations dealing with the rural poor. Their approach to development is based on the following elements:

1. Training of the rural poor is an essential element. As a matter of fact, the main problem is how technical assistance can be given to the group without lessening the group's autonomy;
2. Emphasis on decentralization and utilization of local physical and human resources; and
3. Activities are formulated with the community using existing local groups which are interested in the project.

Definition and Characteristics of a Self Managed Income Generating Group

Earlier in this study a self managed income generating group was defined as the production and marketing of some good(s) for sale in the marketplace which will result in increased income for the sellers. This is done through a group structure which strives for a direct comprehensive democracy in the economic, political, and cultural unit and which affords to all participants in the production process democratic representation.

From the previous sections it appears that an income generating group should meet the following criteria to be considered effective:

1. The income of individual group members will increase;
2. Members' ability to manage income producing activities will increase;
3. All members will participate in the decision making processes as well as other activities of the group;
4. Members' self confidence in their ability to manage and earn income will increase.

Categories of Income Generating Groups and Their Activities

There are numerous categories or types of income generating group activities. They range from animal husbandry, food and crop production to handicrafts, small industries and services, to entertainment (NFE Exchange, 1979, p. 7). Rather than categorize income generating groups according to what they produce it may make more sense to look at income generating groups and their activities as representing a continuum. Most income generating activities are composed of three distinct elements or phases: (1) an input phase which involves the procurement of raw materials and other things necessary to produce a product; (2) the production phase itself; and (3) the selling phase. In given situations and in different group activities some phases are conducted by individual members while other phases are conducted by all members working as a group. This can best be seen in the following diagram.

Locus of Control for Income Generating Group Activity:

SOLE CONTROL BY INDIVIDUAL	CONTROL SHARED BY INDIVIDUAL & GROUP	SOLE CONTROL BY GROUP
<hr/> Buys/Inputs Produces Sells/Outputs		Buys/Inputs Produces Sells/Outputs

It seems that the product and associated costs may determine the mix of individual and group work. An income generating group that is engaged in the sale of milk may leave the actual production of milk with the individual members who own their own livestock but these individuals may use the group to purchase production input such as feed, other supplies, etc. and to sell the milk. A diagram of its activities would look like this:

SOLE CONTROL BY INDIVIDUAL	CONTROL SHARED BY INDIVIDUAL & GROUP	SOLE CONTROL BY GROUP
	X - - - - - X	
	<hr/> Buy/Inputs Produce Sell/Outputs	

On the other hand, a handicraft group which makes school uniforms may keep all three phases in the hands of the entire group. This may be done because of the nature of the activity but it may also be due to the fact that members are too poor to each own their own sewing machines.

A diagram of its activities would look like this:

SOLE CONTROL
BY INDIVIDUAL

CONTROL SHARED BY
INDIVIDUAL & GROUP

SOLE CONTROL
BY GROUP

X - - - - - X

Buys
Produces
Sells

Development of Income Generating Groups

Before an assistance role for nonformal education can be developed, it is useful to look at the dynamics of group development. Obviously groups are not static institutions. Like people they are constantly in a process of change. Among others, Korten, in an article published for the Ford Foundation entitled Community Organization and Rural Development: A Learning Process Approach, looked at the stages that rural development programs go through. In its idealized representation, the learning process approach (an action research, learn by doing approach) proceeds through three stages. In each stage the emphasis is on a different learning task, successively on effectiveness, efficiency, and expansion. In Stage 1--learning to be effective--the major concern is with the development of a working program model in the setting of a village level learning laboratory that has a high degree of fit with beneficiary needs. This phase is resource intensive and will require substantial freedom from administrative constraints. It is primarily a time of knowledge and capacity building. Stage 2--learning to be efficient--is mainly concerned with reducing the input requirements in relation to the out-

put costs. Stage 3--learning to expand--has as its primary concern the orderly, phased expansion of the program. Korten is mainly talking about rural development programs but what he has to say also has relevance directly to rural organizations (Korten, 1980, pp. 20-22).

Groups change and grow as a result of either outside forces and/or internal changes. When we look at one of the case study groups, the Khobotle Piggery Association, we will notice its initial goal was to buy production inputs collectively but to raise pigs individually and then to sell these pigs collectively. An internal group decision, to have more pigs to make more money, and the need to have the newer hybrid pigs introduced by the extension agent changed the objectives of the group. This necessitated that the group do things differently. This need to do things differently required new types of information. After a while the group at Khobotle will have internalized this new information into its operations. Thus a cycle will be complete. A group goes through a cycle every time its objectives change. While the group changes due to a change in its objectives brought about by combinations of internal and external pressures, such change is not also in an upward movement. Some change is not necessarily upward, nor cyclical. Changes in the group, especially with inappropriate information and assistance, can result in group development which is negative and can lead the group in a direction which does not benefit its members.

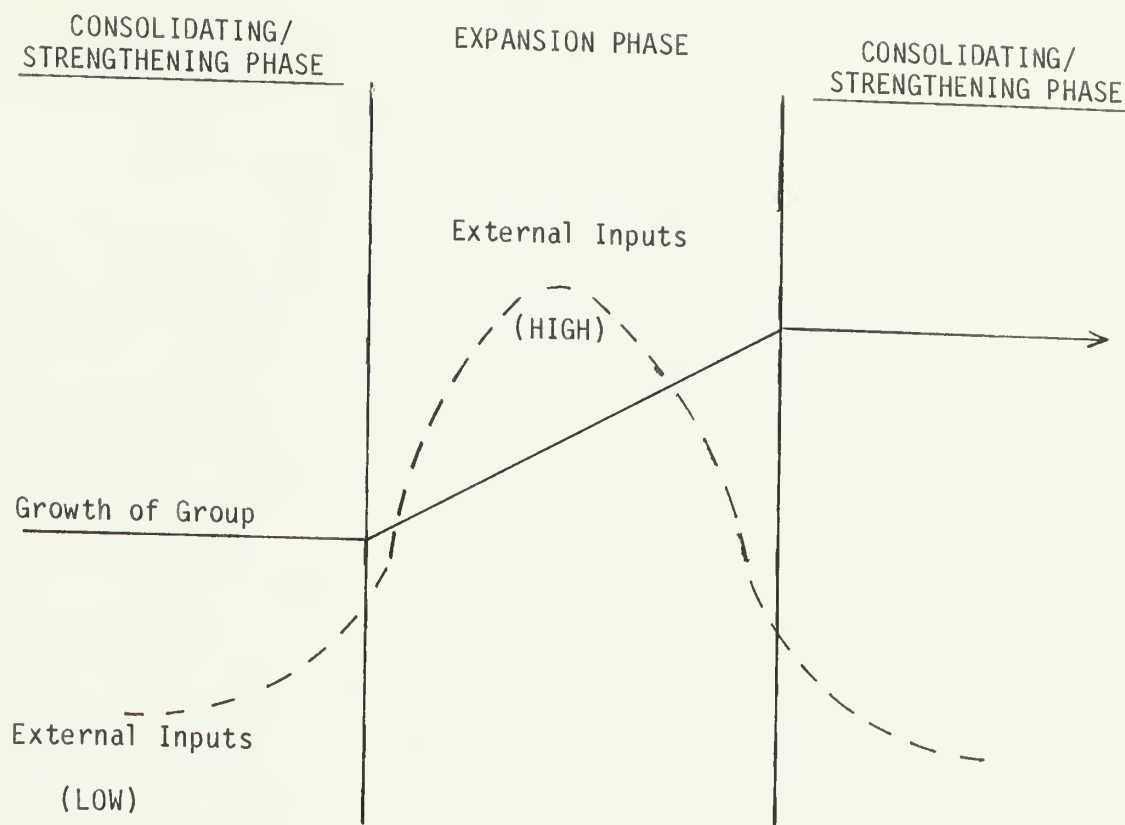
There are numerous outside factors which influence the develop-

ment of income generating groups. This paper will not attempt to prioritize these factors. However, an assumption was made that educational training along with financial assistance can play significant roles such that viable income generating groups would be unable to develop if these two factors were absent. The factors listed here are all seen as important in the development of income generating groups.

They are:

1. developed transportation system
2. effective communication system (telephone, radio, etc.)
3. a stable market
4. access to new innovations and appropriate technologies
5. access to production inputs/raw materials
6. affordable financial credits
7. politically responsive local and national government agencies
8. immediately usable training
9. access to land

The following diagram which is a modification of Korten's stages of growth may be useful to understand this model and the role that outside factors, especially training and finances, can play in the development of income generating groups:



In this model, groups are either in one of two different phases:

1. Expansion. The group has developed new goals as a result of internal and/or external pressures. Such growth need not be physical, i.e., increased membership, new buildings, but it might include combinations of physical growth and new program directions.

The relations of the external inputs to the internal dynamics of the group in this expansion process are important. No group exists in a vacuum. All groups are exposed, positively and negatively, to outside influences. In times of group expansion these external influences are crucial to the success of a group. Similarly, the magnitude and number of influences increase during this period.

During this expansion phase the effectiveness and ability of the group to generate income for its members may suffer as will be demonstrated by the three case studies. At no time in the groups' existence is the purpose of the group solely income generation. The group members have both income learning needs and other learning needs related to such areas as increased awareness and ability to deal with the external world.

2. Coordinating/Strengthening Phase. In this phase the group has now begun to realize its objectives. The income generated by the group is back to the pre-expansion level or is at even a higher level than before expansion. It has hopefully benefited from the external inputs so as to begin to realize the goals expressed in the expansion phase.

The external inputs during this consolidation/ strengthening phase have lessened in importance. Most likely there are still external inputs that have a role to play in this phase. These inputs are most likely in the form of support from extension agents.

At some point in the future the group may shift its objectives as a result of external or internal pressures. At that point it will enter another expansion phase and go through the same processes as just described. It is important for organizations that work with income generating groups to ascertain whether a group is in the expansion or consolidating phase in their development. This will help the organization decide on the type and intensity of assistance as well as give indications as to how the group will behave. For example, until

a year ago the Khobotle group was in the consolidating phase. Outside inputs were limited to occasional visits by extension agents. No outside financial assistance was given and there were limited outside contacts. In the past year the objectives of the group have changed. The group is expanding its operations. This has required increased assistance. Such assistance will especially focus on financial assistance and broad training issues such as program planning, consciousness raising issues, and other areas beyond simple technical and production training. An outside agency should also realize and be sensitive to an evolving, somewhat eclectic management structure in this expansion phase. The directions of the group and its internal mechanisms are in a fluid state and should not be judged too critically as a result. In summary, the expansion phase is a time for knowledge and capacity building--learning what is required to achieve group objectives. This phase stresses basic learning about group and community dynamics and even learning what the relevant questions are through a learning by doing, problem solving approach.

Framework for Analyzing Income Generating Groups

Based upon a review of the previously cited examples of income generating activities, certain commonalities necessary for income generating groups are revealed.

The eight dimensions outlined in Figure 1 have been developed to establish a general direction for assisting in the development of income generating groups. They provide broad guidelines for nonformal

Figure 1
Commonalities For Income Generating Groups

DIMENSION	CHARACTERISTICS
1. Indigenous Origin and Growth	<ul style="list-style-type: none"> (1) Based upon indigenous social groupings (2) Growth of group relatively slow, orderly and sequential.
2. Self Determined Objectives	<ul style="list-style-type: none"> (1) Determined by group (2) Concrete goal achievable with specific, limited time period
3. Democratic and Non-Hierarchical Organization	<ul style="list-style-type: none"> (1) Informal, evolving (2) Decisions made with input by most group members (3) Relations are less hierarchical (4) Structure is understandable by all members
4. Open Membership	<ul style="list-style-type: none"> (1) Usually limited not by social or economic standing but by numbers (2) Kinship or friendship base for membership
5. Participative Leadership and Management	<ul style="list-style-type: none"> (1) The leadership function is diffuse (2) Some socio-economic background as members (3) Leaders emerge in the context of informal group activities. The leaders are formally elected only some time after the group's efforts have begun. Thus, the leaders command the support of the members because they have proven themselves

Figure 1
(continued)

DIMENSION	CHARACTERISTICS
6. Self Determined Services and Activities	<ul style="list-style-type: none">(1) All members are equally involved in the activities and resulting benefits of the group through labor or resource commitments.(2) Where some members must contribute extra labor or resources they are compensated(3) The income activity is chosen by the group.
7. Democratic Decision Making	<ul style="list-style-type: none">(1) All members have an equal voice in the affairs of the group(2) The group has clearly understood rules and procedures
8. Self Reliant External	<ul style="list-style-type: none">(1) The organization is not dependent on continued outside assistance for its survival(2) External agencies do not attempt to control or limit the development or direction of the group.

education planners and practitioners to follow. However, they do not provide specific information by which effective programs can be developed to assist such groups.

To further understand the issues involved in the development of income generating groups we next examine three detailed income generating case studies. The three case studies in Chapter IV are taken from actual situations in different parts of the country of Lesotho which is located in Southern Africa. These particular cases are especially relevant because two of the three have been in existence for at least five years. They provide information on the dimensions of income generating groups just cited, and the author has had first hand experience with them over the last few years, which should enable a full discussion of all aspects of the programmatic and human elements of the groups.

C H A P T E R I V

INCOME GENERATING GROUPS IN LESOTHO - THREE CASE STUDIES

Introduction

Nthabiseng is typical of the people in her village of Likoting in the Leribe District of northern Lesotho. She has an average income from agricultural sales of about 30 maloti per month (US \$27.00) which does not adequately meet the needs of her five children and herself for such things as food, clothing, shelter, and school fees. Nthabiseng has completed five years of school and can thus read and write. Her education however, has not given her a saleable skill and she thus has little chance to earn the additional income she and her family need to survive.

Through an examination of what is taking place in the village of Likoting and in two other villages in rural Lesotho, the concept and use of nonformal education in assisting income generating groups can take on a fuller meaning. The three case studies presented in this chapter are drawn from the experiences of the United States Agency for International Development (USAID) Structuring Nonformal Education Project at the Lesotho Distance Teaching Centre (LDTTC) in the field of income generation. They can be considered representative of the types of income generating activities served by this project based on their goals, approaches, and results.

Following a preliminary description of each group which will provide base line data, a summary of LDTTC financial and technical assistance will be presented. Prior to the presentation of the case

study material, background information on Lesotho and on the USAID/Government of Lesotho Project at the Lesotho Distance Teaching Centre will be described to set the context for the rural groups and to provide a fuller understanding of the case study material.

In the following chapter the status of the groups following six months of assistance including a post-test conducted in September 1983 will be outlined for the purpose of comparing and contrasting the three case studies. At the conclusion of Chapter V each group will be analyzed according to the framework introduced in Chapter III to determine inferences from the case studies.

Background Information on Lesotho

Lesotho is a prisoner of her economic, social, and political situation within the geographical environment of Southern Africa. The physical position of Lesotho necessarily imposes severe economic and political constraints on the feasibility of official policies and the realistic prospects for future development.

About the size of the American state of Maryland, Lesotho is a landlocked country completely surrounded by the Republic of South Africa. According to World Bank figures (1977, pp. 1-4) over two-thirds of the country is mountainous, with peaks rising to 11,000 feet. A narrow crescent of land in the north, west and south, ranging in altitude from 5,000 to 6,000 feet contains about 70 percent of the 1.2 million population. Only 13 percent of the land surface is cultivated, mainly in the lowlands, the foothills, and the Orange River

valley. Apart from scattered valleys of limited size, the mountain area is only suitable for grazing. Few roads lead into the mountain regions and the people of these regions are effectively isolated from the rest of the country.

The country is overwhelmingly rural and agricultural - over 95 percent of the population live in areas classified as rural, and subsistence agriculture, including animal husbandry, is the main activity of 85 percent of the resident population. In spite of the comparatively high literacy rate (40 - 60 percent of the adult population due to the long history of missionary activity in the field of basic education), the content of instruction has only recently begun to include agriculture and other subjects which are specifically addressed to the needs of the rural population. Nonformal education training has also been neglected until quite recently (World Bank, 1977, pp. 1-4).

As the dominant feature of Lesotho's geography is its landlocked situation, so its dominant economic feature is its dependence on the South African economy. Rural incomes in Lesotho are so low that about one-third of the labor force augments its income by seeking employment in the Republic of South Africa (RSA). In the past relatively well-paying jobs as skilled and unskilled laborers in the RSA have been available to virtually all who sought them. The remittances of these migrants have become increasingly critical to the Lesotho economy helping partially offset growing trade deficits and to improve the standard of living of a large segment of the population.

As a result of Lesotho's continued opposition to the racial policies of the RSA, a situation has developed which may result in a decrease in the number of Basotho who can find jobs in South Africa. This has serious consequences for Lesotho.

The total value of production per capita inside Lesotho by the resident population (GDP) was \$320 in 1981. In the same year the value of production by Basotho factors of production (GNP) was \$450. The difference is due to wage remittances from the 140,000 Basotho who work in the RSA (USAID, 1982, p. 4).

There are four major interrelated problems facing Lesotho today according to a USAID Project Identification Team: the lack of jobs, a rising government debt, a lack of investment, and a growing balance of payments deficit (USAID, 1982, p. 5).

The Employment Situation Within Lesotho

The modern sector in Lesotho provides few employment opportunities. According to USAID statistics (USAID, 1982, p. 5) the modern and informal sectors within Lesotho are able to employ no more than 50 percent of the people entering the labor market given the present situation. "Including the 3,000 people who can find work by replacing existing workers in the South African mines, at best there are jobs for only 8,500 of the 16,000 people added to the labor force each year.

Wage labor employment in the modern sector can not accomodate the tremendous numbers who need to generate income. Of even more

startling significance are the following figures, also from USAID (1982, p. 8). From 1985 to 1989 approximately 230,000 people will leave primary school and the formal education system with or without having passed Standard 7. Two-thirds of these will not have completed Standard 5. Based upon past behavior, 1/4 or 58,000 will attempt to enter the modern sector labor force. Nearly 26,000 will finish their education at the junior secondary level with about 2/3 attempting to enter the modern sector labor force. Of the 10,000 who finish their education at the senior secondary level 8,200 will enter the labor force and probably all of the 12,000 who finish post secondary school will attempt to enter the modern sector labor force. In rough terms over the next five years beginning in 1985 there will be 49,050 who will get jobs in the domestic or South Africa modern sector of the 85,400 who seek these jobs. Of the 183,000 who do not seek modern sector jobs around 52,000 can find productive jobs in agriculture. Thus there is a shorgage of 36,350 modern sector jobs and in agriculture and rural activities an additional 134,000 more people than will be needed for wage labor productive employment" (USAID, 1982, p. 5).

Information on employment in the traditional sector in Lesotho is scanty. It is estimated that 290,000 are employed in subsistence agriculture and 22,500 in other low productivity, informal activities (World Bank, 1977, p. 26). Such traditional income activities include selling beer, bread or other cooked foods, mohair, animals, knitting, sewing, handicrafts, wood, and Food for Work payments (Gay, 1982).

Lesotho's Five Year Development Plan 1980-1985 (p. 20) states that during the period from 1975 to 1980 about 40 percent of all households had no migrant labor income and predicts that this figure is likely to rise to 67 percent between 1980 and 1985. Thus, income activities as cited above are what enables many rural people to even exist. The Plan furthermore points out that in 1980-1981 the estimated average income for households with a migrant worker was M1,500 per year, in contrast to less than M400 per annum (including subsistence crop consumption) for those without. The poverty line was defined as M1,000 per household in 1980 so it is clear that a large percentage of households throughout Lesotho, as well as in the cases studied, live under conditions of real poverty, unable to meet their most basic needs.

Lesotho faces many intractable economic problems, most of which boil down to one basic issue: how to get out of or at least reduce its dependence upon the RSA--a not very friendly or accomodation nation (Options for a Dependent Economy, 1979, p. 15). The dependence upon the RSA is so total and stifling that the options available to Lesotho are few, narrow and difficult. Wages, prices, interest rates, even the exchange rate of its currency is determined to a large extent by the RSA which in addition controls every trade and communications link of the country with the rest of the world.

In view of Lesotho's low level of development (it is one of the 29 countries in the world designated by the United Nations as least developed) and its opposition to the South African policy of

apartheid, the dilemmas facing Lesotho have become acute. One strategy which must be further developed is that of fostering employment and viable income generating activities for major portions of its population thereby lessening its need for the South African labor market and its overall dependence on South Africa.

The LDTC Assistance Fund

Assistance to organizations is being given under the umbrella of the Assistance Fund. As originally designed the Assistance Fund should be able to provide to these nonformal education (NFE) groups either directly or in collaboration with governmental or nongovernmental institutions the following services as needed and requested

(Structuring Nonformal Education Resources Project Paper, 1978):

1. MATERIALS DEVELOPMENT - participatory, adaptable to specific situations, and usable with little or no prior training
2. TRAINING - needs based, participatory, particularly in program planning, bookkeeping, management, and business skills
3. COMMUNICATIONS - development and implementation of mass information campaigns, production and broadcast of educational radio programs, and establishment of an NFE network via a newsletter and national seminars on NFE.
4. EVALUATION - baseline surveys, project evaluations, and also formative evaluations for use by NFE organizations
5. FINANCIAL CREDIT - loans for groups with primarily an income generating focus and grants for groups with primarily an educational focus.

The Case Studies

The three case studies in this chapter are initially presented independently of each other. The case study format is used to paint a broad but complete picture of the structures and activities of three rural income generating groups. The studies are primarily descriptive but statistical information will be cited.

Data Collection Instruments

Material for the case studies was drawn from personal experiences working with the three groups and from data gathered by staff members of the Lesotho Distance Teaching Centre. The data included regular monitoring reports of the LDTC staff to the groups, interviews with the group leaders, the observations of the groups, discussions with the group members as well as written and verbal feedback with LDTC staff and others who had contact with the groups, and information gathered in the preparation of contracts and other agreements with the groups.

In addition, the Lesotho Distance Teaching Centre has undertaken a longitudinal study of these groups since early 1983 (Changes in Perceptions of Assistance Fund Impact March - September 1983, 1983). This has involved gathering data on the groups during March 1983 and again in September 1983. This longitudinal study is under the direction of the Research and Evaluation Section of the LDTC which is responsible for compiling and analyzing this data. Initially, a four person team of Ms. Linda Zieghan, the Nonformal Education

Evaluator, Mr. Lipholo Makheta, Research and Evaluation Section Head, Mr. Pholonngoe Moleko, Service Agency Coordinator, and the author developed the evaluation instruments.

These instruments were tested with some of the members of an income generating group prior to its use in the study. This was done to ensure as accurate as possible translations between English and Sesotho. Once the instruments were finalized they were administered to a cross section of members of the groups in March 1983. The pre-test and the posttest were administered via interviews by 10 Basotho members of the LDTC. These interviews were given individually and confidentially. Both tests (pre and post) were administered in Sesotho since the respondents do not speak much English. The results were written down by the interviewers in English. This may have resulted in a number of imprecise translations from Sesotho to English.

The pretest samples were Koloni - 24 respondents, Ipopeng Leribe - 6 respondents, Khobotle -8 respondents. The total number of respondents was 38. In September 1983, after preliminary technical and financial inputs from the LDTC, a post test was administered. The same people interviewed in the pretest were again interviewed. Unfortunately, not all respondents were available. The numbers in the posttest were Koloni -13, Ipopeng Leribe - 4, and Khobotle - 6.

Khobotle, Koloni, and Ipopeng Leribe were chosen as case studies because, of the 7 groups being assisted by the LDTC, they had received assistance the earliest. Thus there was a good deal to

observe. See Figure 2.

In the design of the LDTC evaluation study one primary question was asked - Are members any "better off" as a result of asking for assistance for their income generating venture? "Better off" was defined in the following ways:

1. The income of the individual members should increase.
2. Members' ability to manage activities leading to income generation should increase.
3. All members should participate in the decision making as well as other activities of the group.
4. Members' self confidence in their ability to manage and earn income should increase (Changes in Perceptions of Assistance Fund Impact, p. 5).

These goals were seen by the LDTC as indicators of success.

Organization of the Case Studies

In preparing the case studies a series of questions were asked which served as the narrative framework:

- When did the group start, who started it, and for what purpose?
- What are the objectives of the group? Who determined these objectives?
- What is the organizational structure of the group?
- Who are the members and what are their roles?
- What is the leadership and management structure especially as it relates to participation and decision making?
- What is the income activity of the group?
- What are the relationships like within the group?
- What are the problems that the group is encountering and how is it attempting to solve them?

Figure 2
Case Study Groups

Khobtle	Oct 1981	July 1982	March 1983	Sept. 1983
	First LDTC Contact	Began Receiving Assistance	LDTC Pre-Test 8 Respondents out of 15 members	LDTC Post Test 6 Respondents out of 8 members
Koloni	Oct. 1982	Dec. 1982	March 1983	Sept. 1983
	First LDTC Contact	Began Receiving Assistance	LDTC Pre-Test 24 Respondents out of 24 members	LDTC Post Test 13 Respondents out of 48 members
Ipopeng Leribe	Dec. 1982	Jan. 1983	March 1983	Sept. 1983
	First LDTC Contact	Began Receiving Assistance	LDTC Pre-Test 6 Respondents out of 10 members	LDTC Post Test 4 Respondents out of 15 members

The Khobotle Piggery Association

Background

The Khobotle Piggery Association is located in the village of Ha Khobotle in the Thabana Morena area of Mafeteng District. It is approximately 110 kilometres from Maseru, the capital of Lesotho, along a good tar and gravel road. Total time from Maseru to Ha Khobotle via a two or four wheel drive vehicle is 1 and 3/4 hours. The nearest major town is Mafeteng, the administrative headquarters for the Mafeteng District. Representatives for most government ministries are located here as well as a number of private businesses which supply farmers in the region. Ha Khobotle is about 45 minutes from Mafeteng. The population of the entire Thabana Morena area is around 15,000 people.

The Association originally started in 1975 as a branch of the Lesotho Women's Institute--a voluntary women's association whose members are women from 18 or older. The association evolved from more traditional meetings of village women to share work such as cooking and sewing in times of death or other family crises, or to simply gather to discuss daily events and happenings. As members of the Women's Institute their activities were knitting, crocheting, and cooking. Such local work and discussions were occasionally supplemented by visits from members of the national staff or national conferences for leaders. These were not income generating activities. One reason cited for this lack of attention to income generation was

that there was no market for their finished products although it appears that initially they did try to sell their products.

As a means of increasing their income, some members of the Women's Institute started keeping pigs in 1974 and 1975. The raising and slaughter of pigs for home and/or local consumption has been practiced in Lesotho, especially during the cold winter months, for many years. Generally these small pigs or "lifiriki" as they were called by the people were raised by many families as a means of supplementing family diets and occasionally through sales adding to family incomes.

In recent years new improved varieties of pigs have been introduced at Ha Khobotle and elsewhere in Lesotho by the Ministry of Agriculture extension agents to replace the smaller, less productive "lifiriki." As with most hybrid stock the new variety of pigs or "likhobe" required more careful attention on the part of the pig farmers to ensure that the pigs received the proper food and care. Before the Association members could actually acquire the new pigs with the assistance of the Ministry of Agriculture, they were required to attend courses on piggery. The Ministry of Agriculture Pig Technical officer for the district ran a two week training course, then helped farmers to locate a source for the purchase of the new piglets as well as pig food, and helped provide veterinary services when needed.

Since 1978 the Khobotle Association members were aware of the LDTC since basic rural education booklets produced by the LDTC on numerous practical subjects such as child care were distributed in

Thabana Morena.

In late 1981, members of the Association in a series of meetings with staff members of the Lesotho Distance Teaching Centre indicated a desire to intensify the pig raising activities that they had started. The Ministry of Agriculture Pig Technical Officer, with whom they had been working and who introduced them to the idea of improved breeding stock, was also aware of the group's desire to upgrade pig production. She was able to advise the LDTC on some of the technical problems facing the group. One problem was locating quality stock since none was available in Lesotho and what good stock there was in South Africa went to pig farmers in South Africa. There was also no national market (only market was in Bloemfontein, which was about 200 kilometers from Ha Khobotle).

In a series of needs assessment sessions with the Association, greater clarity on the needs of the group was obtained. This information became the basis for a proposal for assistance that the group submitted to the LDTC on October 16, 1981. Assistance was requested in the following areas:

Financial Assistance. (1) to buy sows and a boar for breeding purposes so that the Association could raise its own piglets instead of buying them, (2) to buy pig feed for the first year, (3) to purchase building materials to construct 8 pig sties, and (4) a contingency fund for medicine and other emergencies.

Training Assistance. in book-keeping, and in management.

In submitting the request the Association felt this assistance was in pursuit of a larger goal --creation of a model for development

in the Thabana Morena area consistent with national development efforts.

The budget that the group originally submitted to the LDTC was extremely vague and did not refer to specific amounts of money. The budget that was developed by the Association in collaboration with the Pig Technical Officer and the LDTC was as follows:

1. Pigs one boar	M200	
five sows @ M250 each or	M1250	1,450.00
2. Pig sties (cement and roofing material)		400.00
3. Pig Feed		1,397.25
4. Contingencies		252.75
		<hr/>
	TOTAL	M3,500.00

In presenting the Association's proposal to the LDTC Screening Committee for approval, the LDTC Service Agency staff determined that the group fit the selection criteria for assistance (see Appendix No. C). In addition to the general criteria which the group met, the group activity could provide for a direct and identifiable improvement in members' lives, the group was rural based, the group was committed to carrying out its work even without the LDTC since it had been in existence since 1975, and the Association had used and was continuing to use locally available resources (such as local building stones).

✕ In May of 1982 the request for assistance was approved. The LDTC agreed to provide financial assistance in the form of a loan of M3,500 to the group. In addition the LDTC agreed to provide educational assistance in the form of workshops in book-keeping, manage-

ment, planning and goal setting, and group work. The Association in turn would be responsible for paying back the loan, abiding by the agreement as contained in the contract with the LDTC, and for building the pig sties.

The proposed outcomes of the assistance were viewed as justifying expenses by both the LDTC and the Association. These outcomes were: (1) a readily available supply of better quality piglets within the country for Association members and others in the community, (2) increased income for the members through the sale of pigs, (3) repayment of the loan, and (4) a successful educational assistance program based upon a participatory approach whereby members would develop self reliant skills to carry on the activities of the Association.

Objectives of the Group

The objectives of the Association as stated by the Association Chairperson were to collectively purchase production inputs such as feed and medicine using individual funds, to care for and breed pigs and to make piglets available to members who individually raise these piglets, and to collectively arrange for and transport members' pigs to the market.

These objectives have constantly been in a process of flux throughout the history of the Association. From 1975 the objectives of the Association were simply to provide for the bulk procurement of production inputs such as feed, medicine, outside technical

assistance, and piglets and to facilitate the marketing of fattened pigs in the Republic of South Africa. Since 1982 the members are considering having all stages of the production process under the aegis of the Association. It is somewhat unclear as to what factors lead to this gradual shift in group objectives. It is possible that because the group has been working together for a number of years this familiarity with one another has led to increased trust which has resulted in a desire to have increased cooperation. This desire for increased cooperation has come through an awareness that individual resources are simply too limited and that to increase profits from the previous modest levels greater team work was needed. In summary the objectives of the group were set by the membership partly due to an increased sense of familiarity but also due to increased external pressures for more money to satisfy personal needs.

While increased money for the members obviously does play a major role in the objectives of the group, when the members were asked for their perceptions of group goals at the March pretest no one mentioned generating income as a goal. 6 respondents mentioned "accomplish the task" (build pig sties, buy pigs, repay LDTC loan) and 4 respondents mentioned develop families. This group, contrary to most assumptions, saw other goals as taking precedence over the generation of income.

Organizational/Management Structure

Based on September 1981 data the Association has a functioning management committee of seven people. The positions are chairperson, secretary, treasurer, and four members chosen from the general membership. The committee is elected on an annual basis according to an interview held with the chairperson. From observation it seems that the committee members have served on the committee since the inception of the Association. Although there may be some type of pro-forma elections, most likely in the form of an annual consensus, in fact the same people continue to hold the same positions. Being re-elected is probably due to status within the group and within the community (all of the committee members have their own homes and, in most cases, separate sources of income besides the Association). It may also be due to ability and willingness (for example, the treasurer has held her office since the group's inception because she has experience in book-keeping which many of the others feel they do not have).

The committee attempts to meet at least twice a week, usually in the home of the chairperson. From an observation of minutes of such meetings, they do occur regularly. Usually the committee will discuss problems that the group is encountering, make rudimentary plans, and make some limited decisions. Since the Association is small, approximately 10 people at present, the entire Association can and does hold meetings on a regular basis where most decisions of the association are made. Meetings are generally informal and may include the sharing of some food or drinks and quite often proceed or follow

the communal work of the group. If they are not held at the communal work site of the group, they are held at the home or yard of the chairperson.

The Membership

Of the eight Association members interviewed in the LDTC pre-test, all were women between the age of 22 and 55. The average age was 43 years. The average educational level was Standard 7 with a range of from Standard 4 to Junior Certificate level. The average household size was 10 with a range of from 2 to 20.

As reported in the March pretest, monthly personal income of the group members was as follows:

M 1 to 30	3 members
M 31 to 60	0 members
M 61 to 90	0 members
M121 to 150	0 members
M151 +	3 members
not sure	2 members

The group mean was between M 1-30 and 31-60. Only one person said she was satisfied with her personal monthly income. 6 stated that they were not satisfied.

Of the 5 people who responded to the source of personal income, 2 received income from the sale of agricultural products, 1 from employment, and 2 from the sale of home made sorghum beer.

Total household income varied as greatly as personal income:

M 1-30	0 responses
M 31-60	1 response
M151 +	3 responses
not sure	4 responses

It is interesting to note that 2 individuals were uncertain of personal income and 4 were uncertain of household income. This may mean that women are uninformed on how much their husbands make in the mines of South Africa but it could also mean that income is so irregular that it is virtually impossible to calculate it on a monthly basis.

The most important source of household income was mine remittances (4 responses). Other sources were sale of vegetables (3 responses), wage labor (2 responses), and shop rental (1 response).

In the March pre-test the following were cited as benefits of group membership: learning a productive skill (3 responses) easier to buy in a group (2 responses), nothing yet (3 responses). It should be noted that this information was gathered during the pretest phase when most member efforts were going toward an expansion of the productive capacity of the Association (building pig sties) rather than earning income by selling pigs. Perhaps this is why three people felt there were no benefits to be gained from group membership.

When asked during the March pretest if participation in the group has made a difference in the individual's life, 2 mentioned that they had gained a productive skill while 5 said it had made no dif-

ference. This may be a normal response since most time during this period from July 1982 through September 1983 was spent on the construction of the pig sties.

The Activities of the Group Including Participation and Decision-Making

As has been mentioned, the group is involved in the breeding, raising and sale of pigs with profits realized being distributed to individuals according to work done. The work that the members are required to do includes attending meetings of the Association, helping to build the communal pig sties, caring for and feeding the breeder pigs and piglets, and possibly in the sale of pigs. The group members said they spent on the average four days per week working on group activities during the period from March until September 1983. From observations it appears they only spent portions of days on the work of the group rather than full days. Probably a quarter to a third of their time each week was spent on the work of the group. This time was primarily spent building the pig sties. During this period they encountered numerous delays. According to the group they were not allowed to build after 11am each day because the village chief felt the moving of rocks in the afternoon might bring hailstorms. Also, deaths in the village meant that work had to stop so that proper respect could be given to the deceased.

The resource contributions of the group by individual members included M 35.00 in annual dues (an additional M 5.00 as a one time only initiation fee for new members) and approximately M 7.50 extra

per member to cover additional expenses such as buying materials, paying men to do some of the heavier stone removal and digging, as well as fines for missing assigned work. Other resource contributions by individuals included:

tools/equipment	3 responses
meeting place	1 response
food	5 responses
extra labor	5 responses
knowledge (advice to chairperson)	1 response

Others included "group uses my sales tax number to purchase building materials," "contribute firewood," and "encourage members to work hard."

The figures on individual perception of ability to participate in decision making indicate that most felt they could participate in the group decision making.

high participation	3 responses
average participation	4 responses
no participation	1 response

This seems to indicate a fairly closeknit group with a high degree of internal democracy.

The following were given as reasons for "individual problems hindering participation": health problems were listed by four people, two mentioned employment as preventing greater participation, one mentioned family responsibilities and one mentioned agricultural tasks.

One person felt there was nothing hindering her participation in the group. Five people felt that participation made no difference for them; two felt they gained productive skills.

Other differences realized by participation were:

"opportunity to meet people and share ideas," "eagerness to learn," "increased self-reliance," "able to budget well," "better temperant," "happy because I know I will benefit."

Group Member Relationships

Some of the responses mentioned in the pretest regarding problems within the group were:

none	1 response
laziness	2 responses
late coming/poor attendance	5 responses
interpersonal problems	1 response
lack of knowledge	1 response

Problems Working Toward Goals of Group

All people interviewed felt the Association was making progress in working toward its goals. However, numerous problems were still given.

lack of materials	1 response
lack of money	2 responses
lack of water for the pigs and to clean the sties	4 responses
members do not work/or understand roles	1 response

lack of qualified technical trainer (in pigs)	1 response
lack of a market	2 responses

Somewhat surprisingly only 2 mentioned the market situation as a problem. As previously mentioned most work over the past six months has gone toward construction of the pig sties. It is possible that they do not see a stable market as a problem since they have not had to confront it. Prior to the construction work, when they were selling a few of the pigs they did not seem to have market problems. When asked the steps necessary to realize their goals, among other things they did mention finding a stable market in which to sell their increased number of pigs.

Summary of Basic Features

From the preceeding description of the Khobotle Piggery Association the distinguishing features of this example of an income generating group emerge:

1. Activity - care and breeding of pigs, raising piglets, and the selling of full grown pigs for meat in Maseru, in South Africa, and in Thabana Morena,
2. Membership - eight older women from the village of Ha Khobotle; kinship, friendship, and religious ties; member income levels range from poorest to some of the wealthiest in the village,
3. History of Group - in existence since 1975; group based on preexisting group, the Women's Institute, which has a basis in traditional patterns of women's self-help,
4. Setting for Activity - village communal land given by village chief,
5. Structure of Group - management committee, entire group meetings; various work groups,

6. Locus of Control of Activity - decisions made by entire group; recommendations sometimes made by management committee which group can accept or reject.
7. Outside Assistance - contract signed with LDTC on 20 July 1982 whereby LDTC provides financial assistance in the form of a loan of M3,500 and training assistance; group will repay M3,920 (M3,500 plus interest of 12 percent over the 42 months or M420); first repayment of M186.66 will be on 1 May 1984; final repayment will be on 1 January 1986.

Other outside assistance includes visits to the group by Ministry of Agriculture personnel. At first this was by the district extension agent. Once he left, this was carried on by the national director of piggery activities. A Food and Agricultural Organization (FAO) project within the Ministry of Cooperatives has also offered financial assistance to purchase pipes for water. This has not happened yet.

The Koloni Uniform Centre

Background

The Koloni Uniform Centre is located in the village of Koloni in the Ha Mamathe area of Berea District, a lowland though nevertheless rural area of Lesotho. It is approximately 70 kilometers from Maseru or one and one-half hours travelling time along a tar and then gravel road. The nearest town is Teyateyaneng which serves Koloni as the nearest administrative and business center in the way that Mafeteng serves Ha Khobotle.

The group originally started in 1971 as the Boiteko Koloni Association, a local affiliate of a national women's organization.

Boiteko means self help in Sesotho, the national language, and as such the national and local affiliates teach practical skills such as knitting, cooking, sewing, etc. which are skills primarily intended for use in the homes. The group did try to sell their finished products, mostly woolen hats, sweaters, and scarves to their neighbors for the cold winters at reasonable prices, about \$5.00 to \$6.00. They were unsuccessful. The reason given in an interview with the group leader in January 1983 was that "there was no market for their products." This reason was given even though the local Boiteko group was the only one selling woolen goods in the area. It is possible that since there were so many women in the Boiteko, 80 according to the group leader, most households were producing the necessary woolen articles that they needed. This Boiteko group clearly acted as a training experience which later attempted to generate some income though unsuccessfully.

Evidently a number of members within the Boiteko were in need of additional sources of income. Like many villages in Lesotho, Koloni contained a high percentage of women as head of households due to the migrant labor situation. Thus there was a great demand on the part of women for more and better sources of income for themselves and their families. In October 1982 members of the Boiteko wrote a letter to the LDTC to inquire about the Assistance Fund which they had heard about on several LDTC radio programs. After three visits from the LDTC staff the group was able to articulate its needs, i.e., how to make money to meet personal expenses. The group of women felt that

they could profitably make school uniforms for sale in the area, especially since there were a number of primary and secondary schools located nearby. Usually schools in the area would arrange for shops in Teyateyaneng to stock their school colors from factories in South Africa that make school uniforms.

During the month of October 1982 a group of women from within the Boiteko finalized their plans for a proposal. Initially only 24 women from within the larger Boiteko were willing to take the time, effort, and risk involved in this income generating venture. As a result they formed a splinter group called the Koloni Uniform Centre.

LDTC field workers helped the group prepare their proposal for assistance which was submitted to the LDTC Screening Committee in late October 1982. The proposal requested that the LDTC provide:

Financial Assistance (1) to buy 5 sewing machines, 5 chairs, 2 tables, 6 rolls of cloth; (2) to purchase building materials for a small workshop; and, a fund for miscellaneous items such as buttons and thread,

Training Assistance in (1) bookkeeping; (2) cooperative management; (3) program planning; and, (4) group dynamics.

The budget that was developed by the group with help from the LDTC Service Agency was as follows:

- | | |
|---|---------|
| 1. building and fencing | M 1,000 |
| 2. sewing machines (5) | 1,352 |
| 3. 5 chairs & 2 tables | 200 |
| 4. 6 rolls of cloth | 1,500 |
| 5. misc. material including thread, buttons, scissors, etc. | |

6. Contingency

252

TOTAL

M 4,500

In presenting the group's proposal to the LDTC Screening Committee and the Assistance Fund Management Subcommittee for approval, the LDTC Service Agency staff determined that the group fit the selection criteria for assistance. In addition to the general criteria which the group met, the group activity was a community based activity located in a rural area and serving eight villages. Its activity would also be quite similar to the members previous experience within the Boiteko.

In December 1982 the proposal was accepted. The LDTC agreed to provide the requested educational and financial assistance. The LDTC also agreed to act as an advocator for the group to enable it to receive services from other government agencies as requested. In return the group would be responsible for paying back the loan, abiding by all agreements as contained in the contract with the LDTC, supplying labor to construct the workshop, and caring for the equipment.

The proposed outcomes of the assistance were viewed as justifying assistance by both the LDTC and the group. These outcomes were: (1) supply of locally produced school uniforms within the region so that people will not need to purchase imported school uniforms from South Africa; (2) cost estimates indicated a possible per dress profit of M3.50 to 4.50 which would allow the group to repay the loan and make

a profit for the members; and, (3) the educational training which stresses participation will allow the group members to develop practical skills to continue group activities.

Objectives of the Group

As stated in an interview with the person acting as group chairperson, Me Mamapoba Moetsane, in January 1983, the objective of the group is to make "handicrafts for sale." This objective is somewhat different than the objective as stated on the proposal submitted to the LDTC which stated sewing as the only objective. It is possible that she and others within the group still saw a need to carry on the traditions of the larger Boiteko association with the hope that eventually the Boiteko and the smaller Koloni Uniform Centre would reunite. According to her the other members of the Koloni Uniform Centre were in total agreement with this objective of handicrafts for income generation and in fact established this objective. When asked what group members could do if they disagreed with these goals, she said no one disagreed. She also said all the group needed to accomplish its goals was the equipment which would be purchased with the LDTC loan.

In March 1983 as part of data gathering on the group as a pre-test was conducted by the LDTC in a similar fashion to the one at Ha Khobotle. 24 women who belonged to the Koloni Uniform Centre were interviewed. The women were asked to state their perceptions of the group's goals:

Learn production skills/self improvement	11 responses
Develop families and nation	3 responses
Generate income	5 responses
Accomplish task (organize & make uniforms)	4 responses
Do not know	4 responses

There were several multiple responses given, but in any event these responses do not differ greatly from the goals stated in the January interview with the group chairperson. Surprisingly only 4 people saw income generation as a major goal. Most women cited the training element (11 responses) as being the goal for the group.

These results do indicate differences within the group as to the overall purpose of the group. Particular differences lie between those, including the chairperson, who see the group as an income generating activity and those who see the group as a training center. These differences within the Koloni Uniform Centre seem to reflect the differences between it and the Boiteko such that definitional problems are carried over into the Koloni Uniform Centre. Additionally, this data reflects differences between the chairperson and many group members over group goals. This will be discussed in further detail later.

Organizational/Management Structure

The Koloni Uniform Centre has a management committee consisting of a chairperson, a secretary, a treasurer, and several other members including the forementioned Mrs. Moetsane who acts as an advi-

sor to the group. The committee sees its function as one of keeping "an eye on how the group functions." The officers are chosen by the group in annual elections. Since the group has only recently been in existence, no formalized elections have been held. As with Khobotle, elections appear to be done in a very simplified way. There are no candidates for office. If it is the general consensus of the group that the present office holder is doing a good job, she is kept on in this position for another year.

The committee tries to meet on a regular basis to look at problems within the group. Due to the size of the membership (24 members and growing) and due to the fact that the members come from eight different villages (some several hours walking time from Koloni, the central village) the group does not hold regular meetings. Such infrequency of group meetings tends to give more decision making power to the committee. However, they are also faced with the same problem of bringing all committee members together. As a result they do not meet often, maybe less than once a month. This gives considerable power to those committee members within Koloni who are near the centre of the actual production. The one woman who especially wields a considerable amount of power is Mrs. Moetsane, the group's advisor and a member of the national Boiteko Association which still sees this splinter group as belonging to the national association. In addition to being the group's advisor and a member, this woman's status in the community is very high due to her wealth and education. As a result she has influenced many of the decisions of the group and when the

committee cannot meet she makes certain that the group's activities continued, that tasks were delegated, and that problems were settled quickly. This often meant that she did these things herself due to the wide geographical representation of the group.

The Membership

As a result of the Koloni Uniform Centre having its beginnings in the Koloni Boiteko Association all 24 members interviewed in the pretest were women. Their age range is from 15 to 56 with an average age of 29. This reflects a much younger age group than the Khobotle group which had an average age of 43 which is probably due to the Koloni group's orientation toward training - in this case teaching sewing skills to out of school girls. The average educational level was Standard 7, the same as Khobotle, with a range of from Standard 3 to Form C. Only one woman observed in the group could not read or write. The average household size was 5.6 with a range of from 3 to 12. This smaller size is probably due to the number of unmarried girls in the group.

Monthly personal income of the group members was as follows:

M 1 to 30	11 members
M 31 to 60	4 members
M 61 to 90	0 members
M121 to 150	1 members
not sure	6 members

The group mean was between 1-30 and 31-60.

9 people out of 12 people felt they were unhappy with their

personal income.

Of the 12 people who responded to the source of personal income, 8 received income from the sale of agricultural products, 1 from the sale of beer, and 3 from the sale of cloth/garments.

Total household income varied as greatly as personal income:

M 1- 30	3 responses
M 31- 60	2 responses
M 91-120	5 responses
M121-150	1 response
M151+	4 responses
Not sure	6 responses

The most important source of household income for 14 respondents was mine remittances, 4 mentioned the sale of agricultural products, 3 said employment, 1 mentioned carpentry, and one mentioned the sale of beer.

In the March pretest the members cited as benefits of group membership, learning a productive skill (11 responses) and nothing yet (6 responses). These responses reflected the relative newness of the group and the young age of many group members. The group had not yet started the sale of products and many of the members did not yet know how to sew school uniforms.

When asked during the March pretest if participation in the group has made a difference in the individual's life, 9 mentioned that they gained a productive skill while 12 mentioned that participation in the group has made no difference to them.

The Activities of the Group Including Participation and Decision Making

The group is involved in the teaching of sewing skills, the production of primary and secondary school uniforms and the sale of these uniforms to the schools in the region. At present the work of the group is conducted in a building owned by the mother of Mrs. Moetsane, the group's advisor. Eventually the group will use the M1,000 from the LDTC loan to build their own workplace. The work that the members are required to do includes attending meetings of the group, learning how to correctly sew school uniforms from the older members in the group, and sewing school uniforms. Due to the large size of the group size, initially 24 members, the actual work of the group was divided into working teams of about five people each of which would each be responsible for sewing uniforms for one or two days over the six working days. Tuesday was set aside so that group meetings could be held. The sale of the uniforms was to be done by the group advisor who had established contacts with the schools.

The resource contributions to the group by individual members was M 5.00 in annual dues. Other resource contributions by individuals included:

tools/equipment	1 response
food	10 responses
extra labor	18 responses
training of other members in sewing	2 responses

The figures on individual perception of ability to participate in

decision making reveal some interesting information on this group.

high participation	2 responses
average participation	4 responses
low participation	2 responses
no participation	16 responses

This very high number of members who felt they had no participation into the decision making process seems to validate earlier comments regarding the lack of regular meetings and the fact that decision making is concentrated in the hands of a very small number of members.

This is further supported by the next question on individual problems which hinder participation. Thirteen members felt there were no individual problems hindering participation. This tends to suggest that the participation issue is the fault of the structure of the group, its wide geographical representation which prohibits frequent meetings, and/or other members who are acquiring considerable decision making power. Other responses to individual problems hindering participation include health (5 responses), family responsibilities (3 responses), and no money (1 response).

Group Member Relationships/Group Problems

The problems mentioned in the pretest by group members were:

none	17 responses
laziness	1 response
late coming/poor attendance	0 response

interpersonal problems	5 responses
lack of knowledge	1 response

Even though many felt participation in the group was low as evidenced by the previous question, no one made a connection between poor attendance at meetings which forced a few to make the decisions for the entire group and lack of participation.

The following were cited as problems for the group in working toward its goals:

lack of materials	1 response
members do not work/or understand roles	4 responses
lack of qualified technical trainers (in sewing)	2 responses
lack of market	9 responses

Summary of Basic Features

1. Activity - sewing of school uniforms and the sale of those uniforms in schools around Koloni,
2. Membership - initially 24 women from village of Koloni and surrounding villages; age of women from out of school youth to older women; income levels from poorest in village to richest,
3. History of Group - in existence since 1982, group based on a preexisting group, Koloni Boiteko, which has a basis in traditional patterns of women's self help,
4. Setting of Activity - at the homestead of the mother or the group advisor in an empty building
5. Structure of Group " management committee; committee; group advisor; and various work grupgroups,
6. Locus of Control - decisions made by group advisor or those members of management committee who reside in Koloni,

7. Outside Assistance - contract signed in December 1982 with the LDTC whereby the LDTC will provide financial assistance in the form of a loan and training assistance, group will repay M5,040 (loan of M4,500 plus 12 percent interest of M540) in monthly installments of M186.66 beginning on 1 October 1983, last installment on 1 December 1985.

Other outside assistance includes invitations for committee members to attend national Boiteko conference.

Ipopeng Leribe Poultry Association

Background

The Ipopeng Leribe Poultry Association is located in the village of Likoting in the Leribe District in northern Lesotho. It is approximately 175 kilometers from Maseru along a good tar road for all but the last few kilometers. Total travel time from Maseru is about two hours. It is about thirty minutes from Hlotse, the administrative capital for Leribe District. Since Ipopeng Leribe as it is commonly called is on the border with South Africa, South Africa has an even greater influence than in other parts of Lesotho.

Ipopeng Leribe like the other two groups grew out of a local affiliate of a national women's organization. In this case, it was the Lesotho Homemaker's Association. Also like the other national organizations, Lesotho Boiteko and Lesotho Women's Institute, this organization stressed the learning of traditional women's skills such as knitting, crocheting, cooking, sewing, etc. It was hoped that some of these skills could help the learners earn money. Four members of the group in fact made some money by making and selling brooms, mats,

and clay pots through their own individual efforts. In October 1982, 10 members of this organization decided to form a poultry keeping group with the intention of selling chicken eggs in the area. It seems that this idea came primarily from within the group. Several members of the group work for the nearby Roman Catholic Mission of Maryland. The mission had a successful poultry activity which provides eggs for the mission. These members help tend the chickens. Most likely they saw the activity as something which they could easily duplicate.

The raising of chickens is common among many village women as well. However, the selling of eggs on a large scale is usually done by a few individuals in the major cities. This is especially so since all egg marketing must be done through the "egg circles" which attempt to control the sale of eggs by only allowing people who have joined their local "egg circle" to market eggs.

These marketing cooperatives though non-governmental have the blessing and active support of the government. In fact eggs are one of the very few items that can not be brought into Lesotho from South Africa. With such support and with the proper variety of hybrid chickens, the group felt they would surely make money which was desperately needed by the members who are poor.

In early January 1982 as a result of hearing about the LDTC Assistance Fund on Radio Lesotho and having received brochures on the LDTC Service Agency from the Maryland Catholic Mission, the group sent a letter to the LDTC requesting financial assistance to purchase

chickens and building material for a workplace. In several meetings with Service Agency staff this request became more complete. The proposal that was submitted to the LDTC Screening Committee in late January contained a combination of financial and educational assistance.

The proposal that the LDTC Screening Committee and finally the Assistance Fund Management Subcommittee approved in March 1983 was to provide:

Financial Assistance - to purchase (1) chickens, (2) roofing materials, (3) feed, and, (4) dishes for feed and water.

Educational Assistance - in (1) book-keeping, (2) group work.

Advocator Assistance - to enable the group to receive help from other governmental agencies as requested.

The Budget was as follows:

Corrugated iron and timber	M 100.00
100 laying chickens (M3.80 each)	380.00
13 50 kg bags of chicken feed	200.00
drinking and feeding dishes	80.00
TOTAL	<hr/> M 760.00

In return for such assistance the group agreed to pay back the one year loan at an interest rate of 4 percent, to take part in LDTC training, to care for the chickens, and to supply labor to build the chicken house. All of this was put into a contract that the LDTC and all members of the group signed.

The proposed outcomes of the assistance were viewed as

justifying the expenses by both the LDTC and the group. These outcomes were: the group should realize a gross monthly income from the sale of eggs of M 240.00 which will enable the group to repay the loan and give income to its members; there will be a local supply of eggs in the village; a participatory training program will enable the group to develop skills to continue group activities beyond the period of the LDTC assistance.

Objectives of the Group

The goal of the group is to care for chickens and to sell their eggs in the surrounding villages. This goal was elaborated by Mrs. Katarina Rabkato, the group's vice chairperson, in an interview in February 1983. She said the group was founded to "improve our standard of living and to be able to help our neighbors . . . to improve (our) nutrition and to have money."

It is interesting that this group like Koloni also saw the learning of productive skills as being important. In a question asked of 6 of the 10 members on their perceptions of the group's goals the following responses were recorded:

learn productive skills	2 responses
develop families and nation	2 responses
generate income	0 responses
accomplish task	3 responses

This group appears, based upon their responses and upon observations, to be very task oriented. While their long range goal may be

the generation of income, they are focusing on immediate goals-caring for the chickens, the building of the chicken house, and the repaying of the loan. When asked the steps necessary to accomplish their goals, they said dedication and cooperation as well as working at group tasks.

Organizational/Management Structure

According to data the group has a chairperson, a vice chairperson, a secretary, and a treasurer which comprises a management committee. The current committee members have held their posts since the founding of the group. They will continue to hold their posts until the LDTC loan is repaid so as to ensure a greater degree of continuity. They feel they will have elections in May or June of 1984 when the loan has been totally repaid. This committee seems to meet often as most of the committee members are within walking distance of the present worksite.

The entire group meets on the second and the third Sunday of each month at 2:00 p.m. Since this is right after church service and since most members attend the Catholic Church Mission, these group meetings generally take place right at the church. Even though a small number of the women live in the village of Likoting, only three live near the work site, the Sunday church service assures that the group will meet frequently. This is the opposite of the Koloni group. It appears important that the time and place for meetings conform to an existing network such as a church service. Thus the marginal cost

of attending these meetings is low.

As with the other two groups, major decisions at Ipopeng Leribe are made by consensus and discussion by the entire group. The committee will often discuss the issues and arrive at some decisions which the membership will, with much discussion, usually approve.

At present the group has an accounts book, a work register to record when members do their work, a record book to record all meeting minutes, and a bank savings book. These books are kept up to date and are useful to the group. It appears that all members have access to these books.

The Membership

All but one of the ten initial members are women. The one man in the group is a field worker for the Ministry of Cooperatives and Rural Development and lives near Likoting. All but three come from outside the village of Likoting. Of the 6 women interviewed the age range is from 21 to 69 years old, with 53 being the mean. Like Khobotle and unlike Koloni this group represents many of the older women in the villages. This group, though all literate, has an education mean of Standard 4 with a range of from Standard 1 to Standard 7. This is much below Khobotle and Koloni which both have Standard 7 means. The average household size for this group is similar to Khobotle. Ipopeng Leribe members maintain households of from 4 to 15 people with 8 being the average.

Monthly personal income of the group members interviewed is as

follows:

M 1 to 30	3 members
M 31 to 60	3 members

The group mean is between M 1-30 and M31-60.

Interestingly 2 members said they were very satisfied with their income while 2 said they were satisfied. Only 2 members said they were not satisfied.

Of the 5 people who responded to the main source of their personal income 1 mentioned sale of agricultural products, one mentioned the sale of beer while three mentioned employment. It is possible that they did not want to express dissatisfaction with their income because it might in some way offend their employer even though they knew the questionnaire was confidential.

Clearly this group has a per person income which is lower than Khobotle and at the same level as Koloni. Unlike Koloni which has a large proportion of out of school girls without families, these women are older women who are heads of households.

Total household income was also low:

M 1- 30	0 responses
M 31- 60	4 responses
M 61- 90	0 responses
M 91-120	1 response
M121-150	0 responses
M151 +	1 response

The most important source of household income for three respondents was mine remittances, 1 said from sale of vegetables, and two said from employment.

In the March pretest all 6 members interviewed said there were no benefits yet from group membership. This was an obvious response since the group by that time had just received the loan money and had not begun any production activities.

In a similar way, when asked if participation in the group made any difference in the individual's life all 6 said no difference.

Activities of the Group Including Participation and Decision Making

The group is involved in the caring for "points of lay" chickens (i.e., chickens purchased when they are all ready to lay eggs) and the sale of eggs to people in the village and through the egg circle to people elsewhere in Leribe District. At present they are using an empty rondavel at the village site of one of the members. Eventually they intend to build their own chicken house.

The work that members are required to do includes attending twice monthly meetings, working with one or two other members at least one day a week to care for the chickens, selling chickens in the village or in Hlotse through the egg circle, and attending LDTC training sessions. Also, like the other two groups and like most rural groups in Lesotho, members help to conduct stokvels on a regular basis to raise extra money for the group. Stokvels are rural fund raising activities conducted by any size group to raise money for some

group or community purpose. Most money is raised through the sale of food and drinks. Ipopeng Leribe has four work teams who raise funds in the village by primarily selling food and sorghum beer. This is a fairly successful way of raising money. The members of the group who were interviewed said they spent 5 days per week in these various activities of the group. In comparison Koloni members only spent 2 days per week on the group's activities. Even if the Ipopeng Leribe members spent just portions of these days on the work of the group, this is still a high figure.

The resource contributions to the group by individual members was M 10.00 on an annual basis. Other resource contributions included:

tools/equipment	2 responses
meeting place	1 response
food	2 responses
extra labor	2 responses

The figures on individual perceptions of ability to participate in decision making indicate a wide range:

high participation	1 response
average	2 responses
low	2 response
none	1 response

When asked what were the individual problems hindering participation:

none	2 responses
health	1 response
employment	2 responses

This seems to indicate that most members were able to do the work required of them but that a number wanted greater input into the decisions of the group.

Group Member Relationships and Group Problems

Like the other groups, the members of Ipopeng Leribe cited a number of problems within the group:

laziness	2 responses
late coming	1 response
none	3 responses

This group unlike the other two groups did not cite interpersonal problems among group members. It is uncertain as to why this is. It is possible that the group has an internal mechanism so that interpersonal problems are generally resolved. The frequent group meetings may be the safety mechanism which enables all issues to be openly discussed.

Group problems in working toward goals only had one response. 3 respondents felt that some members do not work and/or understand their role within the group. This is unlike the other groups which cited numerous problems.

Summary of Basic Features

1. Activity- care of laying chickens and sale of eggs to people in Likoting and through egg marketing cooperative in Leribe District,
2. Membership- currently 15 women varying in ages and generally representing poorer segments of the society; members come from Likoting and neighboring villages.
3. History of the Group - in existence only since October 1982,
4. Setting of Activity - using empty building at the homestead of a group member,
5. Structure of the Group - management committee, various work groups,
6. Locus of Control- decisions made by entire group; recommendations sometimes made by management committee which group can accept or reject,
7. Outside Assistance- signed contract with LDTC in May 1983; LDTC provides financial assistance in the form of a loan for M 760.00 and training assistance; group will repay M 790.40 (loan of M 760 plus 4 percent interest for one year or M30.40), first installment on loan for M87.84 in September 1983 and last installment in 30 April 1984.

Other outside assistance is provided by the Ministry of Agriculture District Poultry Officer. He provides technical information on care of chickens. The Ministry of Cooperatives Officer in Leribe District has provided a training course on cooperatives and especially on marketing cooperatives which is required for the group to sell eggs through the egg marketing cooperative.

LDTC Training Assistance

LDTC Facilitator/Monitor

The Service Agency Section of the LDTC has the responsibility of ensuring that the provisions of the contracts with the various groups are followed and that the LDTC meets its obligations to the group.

Once approval of a proposal is given by the LDTC Screening Committee and the Assistance Fund Management Subcommittee, a member of the Service Agency staff is assigned to the group as a monitor/facilitator. It is the task of this person to coordinate all training with the group, to act as a liaison with other government and non-government agencies, to ensure that the group is abiding by the terms of the contract, and to help the group in whatever ways requested by the group to ensure that group goals are realized. This is often the very same person who assisted the group in the preparation of its proposal for submission to the two committees.

LDTC Training

In the three cases discussed in the preceeding section, training took place approximately once or twice a month for the period from March through September 1983. Monitoring visits to assess how the group was doing were included with these training sessions.

Like many nonformal education training approaches the content of the training was primarily determined by the participants through a series of needs assessment exercises held at various stages throughout

the training program. A needs assessment would be done to determine a training topic(s); once those topics were completed another needs assessment would be conducted to determine further training needs. In some cases the actual establishment of training topics was directed by the LDTC trainers. In one example, some of the participants saw marginal utility in learning book-keeping skills. It was their feeling that only the treasurer needed to know book-keeping. However, the LDTC staff used considerable persuasion to convince the group members that all members of the group should know bookkeeping so that others could perform the job of the treasurer as needed, and also to show that all members were equal in importance. In many ways this ran counter to a totally participant decided training program.

The LDTC staff held all training sessions with all members of the groups. They did not want to create a sense of hierarchy or to foster specialized knowledge and as a result increase power in the hands of a few committee members. Even though the staff did all they could to demonstrate the need for all to attend every training session, a number of members felt the training topic was not for them. With some members absenteeism was a serious problem. This was especially the case with the Koloni group. Several sessions only had a few members in attendance.

Training Preparations

The delivery of the training lessons seemed to be done in a complete manner. Before each training session as much as a day's pre-

paration at the office went into the planning of the training. This planning usually involved the group facilitator/monitor, several other facilitators for other groups who would help out on the day of the training, and others in the office who would give feedback to the planning. This planning was handled in a systematic manner. The first step would be an examination of the needs assessment data gathered on the group. From that point training objectives would be developed. Next, training activities drawn from the experiences of the trainers or, through an open-ended, uncritical discussion, the trainers would develop a new activity to realize the training objectives. Finally an evaluation instrument would be chosen to assess whether or not the training objectives were met. All things discussed during this planning session would be written down on newsprint by one of the trainers for all to see. This process of facilitating a discussion so that all staff members learners could have equal input was valuable practice for the trainers.

Through lengthy discussions a training plan for each specific workshop was developed. This plan was written down to be shared with the group members. The plan contained the following elements for each activity in the workshop:

1. activity title and time required
2. training objective
3. description of activity
4. name of facilitator
5. materials needed

Training Activities

The LDTC staff was able to provide a mix of training approaches. In a study, Evaluation of Record Keeping Procedures for Assistance Fund Training (p. 9) conducted by the LDTC Research and Evaluation Section, the following mix of activities was used during the period from March to September 1983:

Activity (N=98)	% of time used in training
large group activity	49
explanation	11
small group activity	11
individual assignment	10
test	9
feedback (on training)	7
homework	2

Large group activities refer to activities which involve all members of the group. The LDTC staff act as facilitators to pose questions, clarify responses, write down all responses, ensure that all are involved, and to enable the group to reach its objectives.

Small group activities mean the breaking up of the large group into smaller groups with a specific purpose in mind so that all can be involved. The group generally has to perform a task, answer a series of questions, or develop an answer. An example of this would be, "How do you think the group should get its eggs to market?"

Explanations are, for example, where the trainer explains the days activities.

Tests are used to assess pre-entry abilities on, for example, a session about book-keeping or to assess if the objectives were

reached.

Homework, at the end of a training session, means giving the participants answer sheets which they must complete later and mail back to the LDTC. This is a variation on distance teaching techniques.

Individual assignments assess various skills during the course of the training session. An example is the individual completion of a bookkeeping form as part of a session on bookkeeping.

Feedback on training is accomplished through individual written exercise or through group discussions to determine impressions of training and to determine problems. Even though this information does give a picture of the variety of activities, it does not give a precise breakdown of the type of activity used or how long it took. For example, an exercise which was used often with the groups was an introductory exercise called a "warm-up activity" which is intended to set the climate for the learning. It could be a prayer, jokes, riddles, introductions of new members, etc., depending on the group, and it could only last a few minutes. However, for the purposes of the chart, it is considered a large group exercise since it involves all participants.

The range of training topics included sessions on:

- book-keeping
- functions of committees
- roles and responsibilities of members
- goal setting

- program planning
- product costing
- problem solving

All three groups were introduced to all elements listed above. Greatest emphasis was placed on book-keeping and program planning by both the LDTC and the groups.

Each training session included an evaluation element which gave the trainers information for future training sessions and also information on whether participants training objectives were met. These evaluation sessions used a variety of individual and confidential as well as participatory methods. Up to the present time most emphasis has gone into evaluating the design and delivery of the training sessions rather than into assessing if the participants have met the training objectives. A summary of the results (strengths and weaknesses) of the training sessions as perceived by both the trainers and the participants from the same LDTC Research and Evaluation report (Table 9 and 11) is presented here. Inputs from the trainers were sought to see if there were differences between their perceptions and the participants. It is desirable that trainers and participants are in basic agreement over the fact that a particular problem exists so that solutions could be sought.

Number of Weaknesses/Problems Mentioned by Trainers and By
Participants from the Three Case Studies (Evaluation
of Record Keeping Procedures for Assistance
Fund Groups, Table 9, unnumbered):

Poor Performance/Request Follow up Training	14 Trainer responses 7 Participant responses
Did not do assignments	6 Trainer responses 0 Participant responses
Late or missed training	6 Trainer responses 2 Participant responses
Problems with outside assistance	3 Trainer responses 1 Participant response
Lack of enthusiasm	3 Trainer responses 0 Participant responses
Group worried	1 Trainer response 1 Participant response
Other	0 Trainer response 2 Participant responses

Number of Strengths Mentioned by Trainers and by Participants
(Evaluation of Record Keeping Procedures for Assistance
Fund Training, Table 11, unnumbered):

Participants understand content	8 Trainer responses 7 Participant responses
Participants enthusiastic	6 Trainer responses 5 Participant responses
Progress made	6 Trainer responses 4 Participant responses
Trainers respect members	0 Trainer responses 7 Participant responses
Outsiders pleased	2 Trainer responses 0 Participant responses
Other	1 Trainer response 0 Participant response

There was much greater agreement on strengths identified from the training session than on problems identified as a result of training. In general participants felt they were making good progress during the training sessions. Trainers felt more progress could be obtained. This may indicate a desire on the part of the trainers to move the participants faster than they should be.

Appendix D is a summary of trainer and participant comments on the strengths and weaknesses of the training program and on other problems identified as a result of the training. Most comments indicate that the LDTC training was perceived to be useful. One participant from Ipopeng Leribe sums up this feeling when she said, "We look forward to the work we have to do. The trainers understand us even when we are slow in understanding." One of the Ipopeng trainers also had a revealing comment, "The group is much impressed by the interaction between the group and the LDTC. The training was a pleasure to them as well as light toward success. The participatory approach makes people learn and enjoy their work. It makes people feel at home."

LDTC Financial Assistance

The first step that actually puts the Assistance Fund program into motion is a request for assistance from a group. The LDTC has found many of the proposals to be extremely vague as to group needs, goals, and areas of assistance in particular which slows down the assistance process. As one might expect the groups with the greatest

need present the weakest proposals. Because of this problem and due to a need to announce ways in which the Service Agency may be able to help the rural groups, the LDTC has launched into a multi-faceted strategy to alert groups about the Assistance Fund and to give these same groups some skills on how to effectively apply for assistance. This strategy, based on data from the LDTC conducted Nonformal Education Survey of all groups in Lesotho, includes a mailing to all groups of an Assistance Fund brochure, mailings of the same brochure to all government and nongovernment organizations, involved in rural development, LDTC radio programs on the Service Agency and the Assistance Fund, and presentations by LDTC staff to district government coordinators, district heads of ministries, extension agents, and group leaders. This is supplemented by Service Agency presentations to work shop groups whenever invited. What is important is that the LDTC establish strong linkages with existing governmental and nongovernmental structures at the grass roots level as well as at the national level. These linkages are aimed at generating requests for assistance from anywhere in the country. Simply put, the Service Agency will never be sufficiently large enough to help all groups throughout the country develop proposals from scratch.

Once the proposal is received in the Service Agency, a member of the staff is assigned responsibility for that particular group. The Service Agency staff meets as a group to review the proposal. At this stage the staff only considers whether or not a proposal is complete so that it can be sent on to the LDTC Screening Committee for

a decision. If the proposal is not complete, there are several options. If the group is a considerable distance from Maseru, a letter can be sent to them requesting further elaboration on the weak areas of the proposal. This may also include sending them a questionnaire which they would complete. The other option is for several staff members to visit the group with the aim of gathering background data and to develop a more complete proposal on the spot. At no time will the Service Agency staff attempt to write the proposal for the group. Instead, a participatory process is used whereby through a questioning strategy a Service Agency staff member facilitates the development of the proposal.

When a complete proposal has been submitted, the Service Agency staff member assigned to the group as an advocator will write a narrative describing how the group's project meets the Assistance Fund Selection Criteria and an assessment of intended outcomes of assistance. This becomes part of the proposal. The finished proposal is then given to the requesting group for their review. Next, the proposal is typed in English and submitted to the LDTC Screening Committee by the Service Agency advocator.

In its final form the Proposal For Assistance should contain the following elements:

Introduction

(optional; prepared by Service Agency advocator based on data collected by Service Agency or NFE Survey)

Part I Selection Criteria

(prepared by Service Agency advocator to assess areas where the proposal meets Selection Criteria)

Part II Needs and Goals of the Group
(prepared by group independently or with assistance from
Service Agency)

Part III LDTC Areas of Assistance
(prepared by group independently or with assistance from
Service Agency)

Examples

1. The LDTC can provide educational assistance to this group through workshops in the areas of
2. The LDTC can act as an advocator for the group to enable it to receive services from government and nongovernment agencies.
3. The LDTC can provide financial assistance to the group for the purchase of

Part IV LDTC Assistance Strategies
(prepared by group independently or with assistance from
Service Agency)

Examples

1. Initial workshops on program planning during which a detailed workplan will be developed with the group to enable them to effectively utilize the anticipated financial assistance and ongoing educational assistance.
2. Channel financial assistance from the LDTC directly to the group / through theCredit Union.
3. The financial assistance will be used in the following sequenced way

Part V Costs to the LDTC, Costs to the Group, Costs to Group Members

(prepared by group independently or with assistance from the
Service Agency)

Examples

1. Costs to the LDTC in the form of a loan/grant and group member training
 - A. Budget (in detail)
 - B. LDTC support and training assistance via workshops and visits to the group (an estimate of these costs should be included)

2. Costs to the group
 - A. Pay back loan (include information on payback schedule and interest amounts.
 - B. Willingness for all members of group to sign a contract with the LDTC and abide by its agreements
3. Costs to the group members

Supply labor to construct

To care for

Part VI Outcomes of Assistance
(prepared by Service Agency advocator to assess outcomes of assistance based on data collected)

Examples

The outcomes justify the expenses:

1. A number of women will have acquired income earning capabilities.
2. A local group will have been able to respond to a local need and will have succeeded in achieving its objects.
3. The loan will be repaid.
4. A participatory training program will enable group members to develop practical skills to continue group activities.
5. Total production and marketing will be The finished product will cost to sell. The product will sell for Thus the group will realize a profit of

When the proposal is completed it is submitted to the LDTC Screening Committee by the Service Agency advocator. At this committee the advocator presents the proposal on behalf of the group and answers any questions about the proposal. The LDTC Screening Committee is composed of senior staff members of the LDTC proposed by the Director of the LDTC and approved by the Assistance Fund

Management Subcommittee (AFMS). At present, the committee includes the Deputy Director as Chairperson, the Service Agency Coordinator, the Educational Evaluator, the Literacy Section Head, the Financial Controller, and, as advisors, the Project Advisor and the NFE Evaluator. It is the function of the Screening Committee to provide an indepth examination of the submitted proposal with the intention of "screening out" proposals which do not meet the Selection Criteria nor provide technical feasibility as it relates to scope of activity and size of the budget, past success record of the group, and market potential.

After a proposal has been approved by the Screening Committee it is then sent to the Assistance Fund Management Subcommittee (AFMS). The AFMS is comprised of the Permanent Secretary for Education or a representative as chairperson, the Permanent Secretary for Finance or a representative, the Permanent Secretary for Central Planning or a representative, Lesotho National Development Bank representative, the Director of the LDTC, the Deputy Director of the LDTC, and the Educational Evaluator of the LDTC. The committee is to examine on behalf of the Management Committee of the LDTC the appropriateness of loans/grants decided upon by the LDTC Screening Committee and advise accordingly.

Once approval has been given to provide technical and financial assistance to a group, a contract is drawn up. This contract is drawn up by the Service Agency staff and is based primarily upon the previously submitted proposal. However, unlike the proposal, it is

the one and only legal and binding document between the LDTC and the group. The contract outlines the financial payback arrangements including loan principle, interest amount, repayment amounts and repayment dates. The contract also includes a summation of the use of the loan, a disbursement schedule (if necessary), agreements on, for example, bookkeeping or other training, availability of group financial and other records, information on what will happen if the group fails to abide by the contract, and other binding details. The contract is signed by the Director of the LDTC and preferably all members of the group.

There are three possible loan structural mechanisms to lend money to a group. The simplest is to lend money directly to the group in installments or in one lump sum. This can be done by giving the group a check upon execution of the contract or by depositing the check into the group's bank account.

The second option would be to lend the money to an intermediate organization which would disburse to the intended recipient of the assistance. This option, while more complex, may simplify the financial monitory aspects and would benefit more than one group. Assistance to Khobotle was handled in this way. Money was lent to the local credit union and then to the Association by the credit union. This is an especially useful option when the financial institution is still developing its own financial capacity. In this example the credit union was intended to take over the financial tasks of the LDTC.

The third option involves the use of LDTC Assistance Fund

monies as collateral for a group's request for assistance. At present this option has not been tested by the LDTC. In brief the option would place all emphasis on the training and educational aspects of assistance to groups. All financial matters would be handled by a conventional bank or credit union. The LDTC would prepare and train a group approved by the LDTC Screening Committee for assistance. Once the group was sufficiently trained it would apply to a conventional lending institution for a loan. The LDTC Selection Criteria would be used by the lending institution to determine the merits of the proposal. If a group was approved by the lending institution, it would issue a check to the group. The LDTC would use its Assistance Fund money as collateral in case the group defaulted and also to slightly subsidize the group's loan.

Revolving Loan Fund Guidelines

There are a number of organizational development guidelines learned from the implementation of the Assistance Fund at the LDTC. These are:

1. Probably the most important step in the organizational process is the development of a well trained staff to assist in all stages of proposal development and group training. Organizers should not underestimate the time required in this phase. Once initial training has taken place the implementation of an assistance program (both educational and financial assistance) may make a good training laboratory to further develop skills.
2. Keep revolving funds separate from other institutional funds; have two signatory for the revolving fund account to avoid potential for fund misuse.

3. It is important to start with a simple structure for an assistance program which provides for experimentation and learning by doing. Programs have a tendency to become more complex as they progress. If they are too complex at the start, the program may never get started.
4. As much as possible organizers should create structures so that as many people as possible are able to give input into the continued development of the revolving fund. This means a committee structure which has people on it from inside the organization. This also can mean holding regular seminars for educational practitioners and planners to seek advice on the progress of the assistance program. Organizers should work to strengthen this "nonformal education network" at the grass roots level and at the national level.
5. Develop simple financial systems and forms and train staff in their use to determine economic feasibility for a group's income activity, loan repayment amounts and schedule, etc.
6. No single person should be in a position to approve or reject a proposal for assistance. Instead an organization should use a committee structure possibly involving outside people to make decisions on approving proposals.
7. A final consideration would be for an organization to critically examine its internal financial controls. If there are problems a bank may be able to handle certain aspects of the financial details. Do not let the administrative and financial details interfere with the training aspects of the program. If the administrative resources are not present, seek outside help.

Non-LDTC Interventions

Besides receiving training and financial assistance from the LDTC, two of the groups were exposed to training by other field workers. The regional Ministry of Agriculture Piggery Officer for Mafeteng District provided technical training to the Khobotle Piggery Association in such areas as building the pig sties until he left the country in July 1983. From about April 1983 the director of piggery

activities for the Ministry of Agriculture for the entire country began to assist the group in such areas as marketing and locating a suitable place to purchase the breeder pigs. In an interview with the group leader, this training was deemed to be very effective. The group had also received some training in group work and in management from the credit union field staff. (Members of the Piggery Association also held leadership positions within the local credit union). The group leader rated this training as somewhat effective.

Ipopeng Leribe also received additional outside assistance. This was provided by the poultry officer from the Ministry of Agriculture's Leribe office. This assistance covered such areas as caring for and feeding of the chickens and building the chicken house. This assistance was rated as not effective by the group leader. The group was also visited by the field officer from the Ministry of Cooperatives and Rural Development on two occasions who explained the procedures involved in registering to sell eggs through the local egg circle. The assistance was also rated as not effective. According to the group leader "the agricultural extension officers are not interested in what we are doing. They only come when we call them. They do not visit us." Similar feelings were expressed toward the cooperative officer who only visits "to tell us that we must attend their course to understand how to register as a group so that we can sell eggs through the egg circle."

Visits were made to all three groups by various government and non-government agencies such as an Institute for Extra-Mural Studies

staff member of the National University who wanted to observe the work of the Koloni group and, in the case of Khobotle, a staff member of a Food and Agriculture (FAO) project in Thabana Morena discussed the possibility of financial assistance to purchase piping to bring water closer to the pig sties.

Summary of LDTC Approaches to Assisting the Groups

In addition to the financial assistance which was given to each group as documented in a previous section, the LDTC provided training assistance both before and after the financial assistance. This is discussed above. In summary the training approach that the LDTC tries to employ can be called a nonformal education empowerment approach. For further information on this approach see Nonformal Education as an Empowering Process by Kindervatter or Hoxeng's Let Jorge Do It.

In following this training approach the LDTC has included the following:

1. Training Content. The content for workshop sessions is determined by the participants themselves or as a result of needs assessment techniques which provide the basis for content. Trainers do indirectly provide input into the choice of content by raising awareness through discussions, of specific needs and content areas which learners do not initially recognize as important. One example is the need for bookkeeping skills which many in the groups did not

understand was important. After considerable discussions and through the posing of questions most felt they had to understand book-keeping if they were to know how much money they and the group were making. Content is specifically and individually designed for the specific use of each different group.

2. Role of Learners. Learners are viewed as active manipulators rather than passive recipients of information. Learners are able to determine training needs and make realistic and reasonable decisions once information is given to them.

3. Role of Facilitators. Facilitators utilize educational techniques whereby learners can gradually take control of the learning situation to meet their own needs.

4. Relationships Between Learner and Facilitator. The relationship based on mutual respect and equality. A situation should exist whereby the facilitator can gain as much from the learner as the learner can gain from the facilitator. There is stress on mutuality and commonality of the learning experience.

5. Training Methodology. The training is non-directive so that facilitator does not provide/lecture on what she/he perceives to be the answers but what the learners see as the answers. The style stresses questioning, hypothesizing, and supporting learner concerns, thoughts and responses.

6. Training Activities. These include a variety of techniques which stress participation and involvement of all learners in the learning process.

7. Training Materials. The trainers use low cost materials that relate to the subject of training. Training materials are in Sesotho and in a style (both print and layout) which is understandable by the specific learners (Kindervatter, 1979).

Chapter V will review the status of the three income generating groups as of September 1983 with descriptive information as well as information on the results of the LDTC administered posttest. The chapter will conclude with an analysis of the three case studies using the commonalities for income generating groups developed in Chapter III in order to reveal insights into problems, strengths, and issues for use by other nonformal education programs.

C H A P T E R V

ANALYSIS OF THE THREE CASE STUDIES

The three case studies described in Chapter IV demonstrate the possibilities as well as problems associated with income generating activities. This chapter will review the status of the three case studies as of September 1983 and will use the framework of commonalities for income generating groups developed in Chapter III to analyze the case studies for the purpose of highlighting strengths, problems, and issues for use in other nonformal education programs.

Status of the Three Case Studies

Koloni and Ipopeng Leribe have been able to sell at least some of their finished products, school uniforms and eggs respectively. This money along with money realized from the stokvels (about M 105 in the case of Ipopeng Leribe and an undetermined amount in the case of Koloni) has gone toward repaying the loans to the LDTC. As of October, Ipopeng Leribe has repaid M 313.40 of the M 790.40 and is in fact ahead of schedule. Koloni has repaid on schedule an amount of M 373.32 of the M 5,040 due. Khobotle has not begun repaying the loan and in fact had to have its loan rescheduled for a first repayment to begin on May 1, 1984. The desire of the two groups to not owe money to the LDTC and pool all their income for repayment of the loan has obviously been at the expense of the members who in most instances

have seen no profit to date. Khobotle has still not sold any pigs. From the present time until the loan is repaid in January 1968 the group members will realize very little personal profit. Once the loan is finally paid off, the group should begin to realize a per person profit of around M 300 per year. This is based on each of the five sows giving birth to 8 piglets twice a year. These piglets can be sold for meat at about M 90 to M 100 each approximately four to six months after birth. Feed for the piglets and for the breeder pigs should be around M 70 per pig. Thus a profit of M 30.00 per pig can be realized after deducting the expenses of food, medicine, and transportation costs.

The figures should look as follows:

80 piglets born each year

Total expenses per year should be around M 5,600 (80 piglets times M 70 per pig)

Total income from sales per year should be M 8,000 (80 pigs times M 100 per pig)

Total per member profit per year should be M 300 (M 8,000 - M 5,600 = M 2,400 divided by 8 members)

The loan at Ipopeng Leribe is from May 1983 until May 1984. As of October 1983 the group had repaid M 313.40 of the loan. This money represented all profits received through fund raising activities such as the stokvels. The group still has M 477 to repay. They should have no problem repaying the loan based upon their previous repayment record. This group like Khobotle and Koloni sees its primary purpose as the repaying of the loan. Profits to members are seen

as a secondary consideration at this time. This shows an unusually high degree of fiscal responsibility on the part of all three groups. It may be possible that the groups see the LDTC training as somehow being paid for by these prompt repayments of the loan. The groups may also view the interactions with the LDTC as primarily organizational development work and skills training. Only later, after the LDTC has finished its work, will income generation be of primary importance.

At present the group is receiving around 80 eggs per day from the 100 chickens. These are sold for .10 each. Over a year the group can expect to receive M 2,880. Yearly expenses (feed, medicine, and transportation) are M 1,500. Thus the yearly profits after next May 1984 will be M 1,380 or, with 15 members, M 92 per member per year.

Developing financial information on Koloni is much more difficult due to the shifted focus of the group to primarily a training center. The group is currently selling school uniforms for M12.79 to M22.15 depending upon size. Expenses to make a uniform are around M 10.00. This includes costs of materials, transportation costs and a 20% commission charged by shop keepers who may sell the uniforms. Thus, the per dress profit is between M 2.79 and M 12.15. Again, due to a desire to repay the loan, no profits will be realized by the individual members until the loan is repaid in December 1985. Eventually almost 50 members will be skilled in sewing and, with only 5 sewing machines owned by the group, the number of people who will be able to realize a profit after 1985 will be extremely limited. This problem of a lack of a profit may be compounded by the number of uniforms that would need to be marketed for everyone to make money.

Ipopeng has had a contractual relationships with the LDTC of about 5 months and another three months counting the start up time. Koloni has had a contractual arrangement with the LDTC of about 9 months. Serious morale problems may arise if the members receive no monetary benefits for a considerable number of months. This may already be happening with Koloni which seems to perceive themselves as a training institution with a side benefit of income for participants. This problem has been compounded by a radical increase in the membership to about 48 members. This is almost the same numbers as the older, defunct Boiteko Koloni. Ipopeng Leribe, while increasing its membership to 15, has still been able to keep a high degree of morale. They see this period with the LDTC, only one year, as a preliminary stage where they learn the various elements of raising chickens and of the related areas of group development and maintenance. They seem to see this period as an investment of time which will pay off at a later date.

In addition, in chapter II Illich, Gudeman, and others suggest that the concept of profit for people in the traditional sector has an entirely different meaning to the one that we may give it. According to Gudeman pride is in work rather than in accumulation in production. Villagers do think in terms of increasing the numbers and value of their animals. Villagers may fear to charge too much or receive too high profits since they then may be guilty of exploiting their neighbors. To Goulet (1978, p. 5) "the idea of the propriety of a system organized on the basis of personal gain may not be totally accepted."

Such an overemphasis on profit at the expense of one's neighbors may be totally at odds with a life style which stresses communal support.

The Khobotle group had to reschedule the loan since they fell behind in the building of the pig sties for the new pigs. This May the pigs finally arrived, well behind schedule. Khobotle's production activity, the breeding and raising of pigs, required considerable preparation before they could advance into the income/sales phase. The pigs have given birth only recently to piglets. It will still be another 4 to 6 months before the piglets are big enough to be butchered. Another problem that the Khobotle group had was that, like both Koloni and Ipopeng, they increased their membership from about 8 to 23 members in a matter of months. This was done to increase the number of laborers for the pig sty construction but it was also done at the urging of the LDTC which felt benefits should be spread to a larger segment of the community. This became a problem as the new member did not share the commitment of the older members. For a while there was some possibility that the group would dissolve as no work was being done. Over the last few months, the number of members has fallen back to the earlier level at the insistence of the older members who began to remove unproductive people from the membership. These people failed to work or to pay their dues. Most likely they were attracted to the group to make some quick money which did not happen.

The market situation for both Ipopeng Leribe and for Koloni seems to be satisfactory. Koloni always had a market for their uni-

forms among the regional schools. Ipopeng Leribe did have initial problems, not because there was no market for their eggs but because they did not understand the mechanism and requirements of the government controlled egg marketing board, the egg circle. After meetings that the group had with the cooperatives people and after some lobbying by the LDTC, the group registered two members in the egg circle in Hlotse. The requirements for the group to register included a two month course on cooperatives. Having only two members registered enables the group to continue to sell its eggs without too much difficulty. Khobotle still appears not to have its marketing situation resolved. Part of the problem seems to reside with conflicting estimations of the market potential for pigs in Lesotho. This confusing situation is further exacerbated by a push on the part of the Women's Bureau of the Government to have all their groups involved in raising pigs for sale. Obviously, if this happened, there would be too many pigs entering the market.

Results of the LDTC Post Test

In the LDTC post test (Changes in Perceptions of Assistance Fund Impact March-September 1983, 1983) 13 members were interviewed at Koloni, 4 at Ipopeng Leribe, and 6 at Khobotle. The total number interviewed in the post test was 23.

Group Member Benefits

At Ipopeng Leribe the number of respondents who said that participation in the group made no difference in their lives dropped from 6 responses in the pretest to none. At Koloni the response was similar, down from 12 to none, and at Khobotle from 5 to 2. Clearly almost all members interviewed felt there were benefits to be gained from participation. These included gaining a productive skills, earning income, and learning to work with others. Benefits to members also showed a similar drop in "nothing yet" responses. See Appendix A Table 1 for more information.

Personal income for group members in all three groups also increased though modestly. See Appendix A Table 2. Significantly there was a drop in the number at the lowest end of the income scale, M 1-30, from 45% of all respondents down to 22%. However primary sources of personal income remained about the same. Whereas some money was being realized from the income generating activities, it was an extremely modest amount. All three groups cited their first priority as the paying back of the LDTC loan before much money would go to the members. That is also why all three groups are attempting to raise funds via other means such as the stokvels.

Household amounts of income remained virtually unchanged from March until September as did primary sources of income. See Appendix A, Tables 3 and 4.

Reflecting increased personal income the number of people who now state they are unhappy with their personal income decreased from 17 respondents or 45% of the sample down to 6 respondents or 26%.

Management of Income Generating Group Activity

Appendix A, Table 5 outlines how each member in each group rates her own ability in eight different management areas. There was significant increase in the income group management skill areas of marketing, communications, bookkeeping, group work, record keeping, and leadership. Only in the skill areas associated with production did the rating decrease (8% points). This may be due to an increased preoccupation on the part of both group members and LDTC staff with the nonproductive skills which were needed and which were weak. Generally, productive skills, other than at Koloni, were at a high level to begin with.

Participation and Decision Making Issues

Measurements for participation and decision making were time and money spent on the group activities, equipment and other resource contributions, and each member's perceptions of her ability to contribute to group decision making.

Time contributions for Khobotle and Ipopeng Leribe remained about the same though the amount of time spent by Koloni members, by observation, fell off considerably.

Money contributions were on an annual basis so no additional payments were made to the group between the pre and post tests. However, Ipopeng Leribe members did contribute an additional M 9.25 per person and Khobotle members M 7.50 per person over the six month period in fines for not showing up for work, to pay workers, and to

buy additional supplies.

Other resource contributions increased for all three groups. See Appendix A, Table 6. This is probably due to the fact that at Ipopeng Leribe and at Khobotle heavy construction was going on (building pig sties and chicken house) which necessitated additional equipment.

Members in all three groups felt their ability to participate in decision making had increased. See Appendix A, Table 6. The most noticeable increase was at Koloni where the number of people who felt they could not participate dropped from 67% to 23%.

Personal problems hindering participation remained about the same as on the pretest. See Appendix A, Table 8. Personal health related problems (colds, flu, and problems associated with old age) continued to be the most common problem hindering their participation with 30% of the total respondents in all three groups mentioning this. This was especially prevalent at Khobotle with a large number of older members. Other income generating work did not seem to hinder participation. Agricultural responsibilities was only mentioned by 9% of all respondents.

Problems within the group that lessened group effectiveness are displayed in Appendix A, Table 9. Forty-eight percent of all respondents in the posttest said there were no problems within the groups. This is only down 7% from the pretest. Problems still mentioned were poor attendance and laziness.

The percentage of members in all three groups requesting

further training increased over many of the major training areas. (Appendix A, Table 10.) The increase was especially high for group work and for communications. The need for training in marketing decreased while all the others increased. This may be because both Koloni and Ipopeng Leribe seem to have settled their marketing problems by demonstrating an ability to sell their products. The two needs with the greatest increase, group work and communications, seem to indicate a growing awareness on the part of the membership of all groups of affective training (interpersonal skill training rather than straight marketing, bookkeeping, and record-keeping training.

Self Confidence of Group Members

This area was intended to give information on the confidence of members to manage the affairs of the group and to generate income. A demonstrated confidence of the members tends to indicate a movement toward increased self reliance for the groups. This is measured through member confidence in their ability to generate income, confidence in ability through office holding in additional village groups, and confidence in ability to work on the group task.

The number of people working on the primary task of the group, the generation of income, increased from 21% to 48% for all three groups. For some reason only one person at Khobotle mentioned "worked on group task." This may represent an oversight more than anything else especially since during this period the pigs arrived at Khobotle. In all three groups there was an increase in the number of people who

contributed material and money to the work of the group. See Appendix A, Table 11 for additional information.

The overall increase in member participation in office holding in the income generating and in other village groups increased from the March pretest (Appendix A, Table 12). While there was an increase it was not as high as expected. This, like a modest increase in involvement in other income generating activities, probably reflects an increased demand on time for the work of the group.

An important consideration is the confidence of members to generate income. At the pretest 13 Koloni members or 54% of those interviewed expressed no confidence in their ability to generate income. At the posttest no one felt "not confident" in their ability to generate income. In fact, in the pretest, all three groups combined had 14 people or 37% who were "not confident." In the posttest, only 2 people or 9% out of all the groups responded that they were not confident. Interestingly, the number of people in all three groups combined who felt very confident, decreased from 15 respondents or 39% of those surveyed down to 6 respondents or 26% of those surveyed. This may be an indication on the part of the group members that the establishment of a successful income activity is extremely difficult. The confident and somewhat confident categories did increase. A possible reason for this movement toward the "confident" and "somewhat confident" range may be attributed to the fact that two of the groups (koloni and Ipopeng Leribe) are generating a little income. However, these groups along with Khobotle have passed the initial euphoric

stage when things are just starting, and have entered the long middle stage where some money is coming into the groups but not much to individuals and where there is a realization that considerable hard work is needed to ensure that the group is successful.

Inferences From The Case Studies

The Khobotle Piggery Association, the Koloni Uniform Centre and the Ipopeng Leribe Poultry group described in the previous sections demonstrate some of the potential for rural income generating groups to improve the lives of their members.

More can be learned from these examples of income generating groups by further analysis in order to reveal insights into issues, strengths, and problems for use by other nonformal education programs. This will be done through the use of the eight dimensions of income generating groups which reveal commonalities necessary for income generating groups which were developed in chapter III.

1. Indigenous Origin and Growth

Khobotle has its basis as an organization dating back to 1975. At that time it formed into its present pattern and membership without outside motivation or pressures. Prior to 1975 its members were part of the Khobotle Women's Institute.

Koloni Uniform Centre and Ipopeng Leribe both came into existence as organizations only within the past year though Koloni can trace its beginnings with the Koloni Boiteko Association which started

in the early 1970s. It can also be said that both of these groups formed partly in response to the possibility of outside assistance from the LDTC.

What seems to be important is that a group forms out of the traditions of the village, traditions which the villagers feel comfortable with and that it is not created artificially by outside organizations. Such indigenous groups have a history of successes and failures by which group members can learn. A new group does not have this base of knowledge and experience which can help it to overcome the numerous problems which income generating groups encounter.

It appears that relatively slow, ordered, and sequential growth of the group is important. Problems occurred especially at Koloni and Khobotle because growth was especially hectic due in large part to the financial assistance from the LDTC which gave the groups considerable amounts of money with a specific time period in which to spend it. Ipopeng Leribe did not have this problem. Its growth was orderly in part because of its very clear objectives.

2. Self Determined Objectives

The members in all three groups seem to have developed their own objectives. At Khobotle these objectives seem to have gone through a process of evolution. At the present time the objective is to collectively raise and sell pigs. At one time it was to individually raise and collectively sell pigs. What is important is that all members agree with this shift in the objectives. Ipopeng Leribe

has had a clear set of objectives in the care of chickens and the sale of eggs since its inception. Koloni did not seem to have a clear set of objectives as was only revealed at a later date. Its stated purpose was to sell school uniforms but this original objective became mixed with another objective of extensive training for out of school youth. Such a mixed set of objectives has appeared to hurt the group. The goals of the group must be concrete and must be achievable within a specific, limited time period. It also appears that groups are most successful when the group has a single specific purpose.

3. Democratic and Non-Hierarchical Organization

From the posttest information obtained in September 1983 the members in all three groups state they have a "high" or "average" ability to have input into the decision making process of their groups. Such inputs are crucial to enable the groups to generate income and benefit the members in a fair and equitable fashion.

The relations within the Ipopeng Leribe and Khobotle groups appear not to be hierarchical which is probably a function of small size. Koloni with its large membership does have a hierarchical arrangement with the group advisor exercising considerable power.

In all three groups the structure is understandable by the membership.

4. Open Membership

Khobotle's membership is not limited by social or economic standing but it is limited by numbers which is important. Figures

from information obtained on the group indicate that its membership represents a wide range of incomes within the village. From its inception in 1975 until its interactions with the LDTC its members numbered no more than 6 to 10. The LDTC encouraged that this number be increased to broaden its impact in the region. While it did give them additional laborers to build the pig sties, the arrangement created havoc in the group. The increased size was simply unmanageable. In addition, such large numbers cut down considerably on the size of profits realized by each member. Recently the group has gone back to its original size. Koloni also encountered a similar situation though from their own doing. With over 40 members they have ceased being an income generating group and have instead become a training group with small amounts of income generated. Ipopeng Leribe was the only group to increase at a reasonable rate, from 10 to 15. This size is a top limit for them. Whereas, the size of the group and resulting group profits may be a function of the income activity, some activities generate more money than others, size also determines other success indicators such as the degree of democracy and equality in the processes of the group. Koloni is an example here with its decrease in other success factors in direct proportion to its increase in size.

Both Khobotle and Ipopeng Leribe have a kinship and friendship base in their membership. In the case of Ipopeng Leribe this has extended to religion. It appears that these are important bases for group cohesion.

5. Participative Leadership and Management

In all three groups the leadership emerged out of earlier informal activities. Elections to leadership positions seem to play a minor role in the development of these groups. Ipopeng Leribe and Khobotle have a diffuse leadership function which is important. Khobotle has a chairperson but others in the group exercise power in formal or informal ways at group meetings or in the work situation. Similarly, Ipopeng Leribe has a chairperson but leadership here is to an even greater degree also exhibited by others within the group. Also, in both groups the leader(s) come from the same socioeconomic background as the members. The leadership function at Koloni is primarily exercised by the group advisor as discussed earlier.

6. Self Determined Services and Activities

The activity in all three groups was chosen by the members. Also, in all three groups all members have made resource commitments in the form of dues and other things such as food, meeting place, etc. as well as labor commitments. Where this has not been done by some or all members problems result. In some cases members have made extra labor or resource commitments (for example, use of building at Ipopeng Leribe and at Koloni and extra labor in the building of the pig sties at Khobotle). They have not been compensated in any way which may cause problems later.

7. Democratic Decision Making

There is a general perception on the part of members at Ipopeng Leribe and at Khobotle that they have an equal voice in the affairs of the group. This is extremely important and forms the basis for the further positive growth of the respective groups.

Another important factor for success is clearly understood group rules and procedures. It is interesting to note that all three groups have not formalized their procedures into tightly regulated by-laws but instead use a more traditional set of procedures which are in use in the village when groups of women work together.

Another important consideration is a procedure for a right of appeal when a member feels an injustice is committed. These groups seem to use the mechanism of raising the issue before all the members who decide the issue.

8. Self Reliant External Factors

Two commonalities are evident here--the group is not dependent upon continued outside assistance for its survival and external agencies do not attempt to control or limit the development or direction of the group.

It is too early to say if these commonalities are present in the three case study groups. Koloni and Ipopeng Leribe are simply too new to make an assessment. Khobotle has been in existence for some time so it is possible to say it has not been dependent upon outside agencies for its survival. The relationship with the LDTC may alter

this however such that both the group and the LDTC must strive not to create a situation of dependency. The training interventions chosen by the LDTC will go a long way in determining this issue at Khobotle and with the other two groups.

Conclusions

A presentation and analysis of the three case studies in Chapters IV and V have highlighted some useful issues for the development of income generating groups in a Third World situation. General commonalities for income generating groups have been identified and how these commonalities relate to three specific Third World income generating groups have been suggested. The final chapter of this study will look at what has been learned so as to develop a role for nonformal education in the development of income generating groups.

CHAPTER VI

THE ROLE OF NONFORMAL EDUCATION TRAINING AND FINANCIAL ASSISTANCE IN THE DEVELOPMENT OF INCOME GENERATING GROUPS

This final chapter will summarize the role that nonformal education can play to ensure that a rural group develops according to the commonalities for income generating groups discussed in the preceding chapters. This chapter will also examine the potential and limitations to such a development strategy.

Dimensions and Characteristics of a Training Program for the Development of Income Generating Groups

In Chapter IV an example of providing assistance to income generating groups was presented.

Generally, a nonformal education training program is structured in such a way as to enable the learners to gain knowledge and eventual control over the social, economic, and political factors which influence them by exercising a high degree of control over the learning process, by learning both content and process, and by working in a collaborative and mutually supportive fashion.

For this type of model to be operationalized, village level workers should have a working knowledge of the nonformal education

approach to development. Traditionally, extension organizations have used village level workers almost solely as conduits to pass on new technical innovations and a wide range of production inputs. However, such an approach is not what is needed. Technical packages tend to benefit the more advantaged segments of society. Those who have the prior education and present resources.

If the national goal is immediate increases in output, then concentration of technical extension on large entrepreneurs may be the best approach. If, however, other objectives are being sought, as this paper has suggested, then this must be communicated to the village level workers and new approaches must be utilized to assist villagers to achieve the desired results.

Providing training assistance to income generating groups should never depend on any one particular technical package or model of development. At the heart of nonformal education training approach is problem solving. To solve problems one must be free of the requirement to promote a particular technology. In problem solving it is the group and its members who determine the activities of the extension agent. Problem solving methods of assisting groups avoid making false assumptions on what needs to be done by letting the group select the problems to be dealt with. Too often extension agents assume what is needed and move groups into doing things beyond their control. Yet it is not complexity as such that defeats these rural groups. The problem is that complexity is introduced before the group is ready and before trusted management has developed to handle the

complexity. This push toward rapid group development and lack of management experience leads in many situations to centralization of decisions. This discourages member participation, interest, and responsibility which results in such things as loan defaults. In extension agents' haste to develop income generating groups they may inadvertently contribute to the very problems which they are there to help prevent. So often the result is not awareness of the true causes of the problem but a reaffirmation in the "wisdom" that only the extension agent know the answers to solving the problems of the group.

The type of training that is required for village level workers is one that provides these workers with practical skills-they must be able to comprehend the problems of the group and judge when and how outside inputs can assist the development process. The steps and methods for developing and transferring skills are outlined here. The process discussed is only one version of ways to deal with a problem but it is one that has demonstrated success. (For a fuller discussion of this process see Managing Planned Agricultural Development, 1976.)

A Problem Solving Process

Step 1 - Problem Identification

This stage takes different forms in different situations. Rural people generally do know what their problems are though it may be necessary to probe for them.

Step 2 - Information Gathering

The survey or information gathering stage is also important for determining success or failure of many assistance programs. Often costly surveys are unnecessary. When the group is making its own decisions, it can make the decision on whatever information satisfies them. The extension agent needs this information only to the extent that he is affecting the decision for the group. Paulo Freire of Brazil developed another method of examining observations of one's surroundings. He studied local communities, abstracted key themes that were typical and important in the community and then recreated these themes in the form of large pictures. These pictures could then be used as information for group discussions and ultimately consciousness-raising.

Step 3 - Understanding Causes of the Problem

Step 4 - Finding Alternatives and Creative Solutions

Step 5 - Weighing Alternatives/Solutions

Step 6 - Deciding Among Alternatives/Solutions

These steps in the process involve discussing the problem, seeking solutions, and setting learning priorities. It has been seen that villagers have a strong sense of what their priorities are. People can be organized around problems that they feel are the first priorities. While the field worker can probe and clarify priority problems and learning needs, if the people are to be involved in an

active rather than a passive way, they must ultimately be the ones to decide. They must feel they make the decisions. They will refuse to cooperate, however subtly, if their priorities are not followed.

The extension agent must be an advisor from whom the people seek information, not a pusher of preconceived packages. What is ultimately needed is for the extension agent to be prepared to go to the group as a student as well as a teacher. After the group has informed him or her of its needs then he or she can find ways to bring outside expertise to bear on these problems.

The Structure of a Nonformal Education Training Program

The structure of a nonformal education training program which is intended to solve the problems identified by the group should have the following elements (based on structure of a training program developed by Kindervatter, 1979, pp. 247-248):

1. Structure - emphasis on working with the entire income generating group.
2. Setting - usually in the village; site to be determined by the learners. It could be a communal work site, home of a member, community location such as a credit union building, church, or even outside in a convenient location.
3. Role of Learners - active manipulators rather than passive recipients of information. Learners are able to determine learning needs and make realistic and reasonable decisions once information is available.
4. Role of Facilitators - utilize educational techniques whereby learners can take control of the learning situation to meet their own needs.
5. Relations Between Learners and Facilitators - Relationship based upon mutual respect and equality. Learners take an

increasingly more active role in the learning process as the training program develops.

6. Needs Assessment - ongoing process; based on real life needs of learners; developed from a dialogue among learners and between learners and facilitators.
7. Training Content - group specific; Facilitators develop content to meet the expressed needs of the learners. Potentially new content areas which learners may not be initially aware of such as marketing can be introduced as a result of a dialogue in the needs assessment phase.
8. Curriculum - learning objectives set at the beginning of group training; subject to revisions with specific learning objectives set with learners from one lesson to the next.
9. Learning Materials - low cost materials that relate to the subject of training; examples include print, posters, learning games, and audio cassette tapes; developed in a style (both print and layout) which is understandable to the learners.
10. Training Methodology - non directive; facilitator does not lecture on what he/she perceives to be the answer but what the learners see as the answer. The style stresses questioning, hypothesizing, and supporting learner concerns, thoughts, and responses.
11. Training Activities - variety of techniques which stress participation and involvement of all learners in the learning process.

The Role of Financial Assistance in the Development of Income Generating Groups

Financial credit plays an important role in the process of development as a means for groups to acquire and mobilize productive resources. However, not all groups have equal access to formal sources of credit. It is the poor who face particular face restrictions in access to credit from financial institutions. In most instances they are restricted because of extremely high interest rates, inabi-

lity to provide collateral and a general perception on the part of credit managers that the poor are bad credit risks. An income generating group activity based primarily upon human resources with little capital, equipment, or other tangible assets lacks the collateral deemed necessary by most financial institutions. From the borrower's perspective the generally large size loans, loan terms, transaction costs, repayment schedules, limited operation hours and large city locations of formal credit institutions may be inappropriate. Many formal credit institutions simply do not have programs designed to meet the needs of small scale income generating groups.

Informal Sources of Credit

Despite limited access to formal financial institutions or inappropriately designed and nonexistent financial services for the poor, the poor are extensively involved in informal credit systems. These include moneylenders, pawnbrokers, relatives, shopkeepers, and rotating credit associations (Schumacher et al., 1980, p. 45).

Borrowing from moneylenders or pawnbrokers is common. Moneylenders are desirable sources of credit because there is little or no paperwork involved, money is immediately available, small amounts are available, collateral requirements are flexible, and the borrower has fewer restrictions in using the money. However the relatively high costs, limited amounts of credit available, and the potential for permanent or exploitative indebtedness cause considerable

problems with this source of credit for productive purposes.

Shopkeepers and pawnbrokers as sources of credit have similar problems for the poor.

Rotating credit associations are common throughout the world as a source of informal credit. The Arisan associations of Indonesia are probably one of the more common examples of this form (Schumacher et al., 1980, pp. 47-48). Arisans are usually composed of women who meet on a regular basis to contribute a fixed amount of money into a central fund. At each meeting a different woman is given the total sum to use as she sees fit. This collection and disbursement procedure continues until everyone in the group has received money. Then the group disbands or starts over again. The advantages of these rotating credit systems is that they encourage member savings, there is no paperwork or collateral, and there are no restrictions as to how money must be spent. However, there are problems with such systems. Generally only a small amount of money is generated at any one time. Also such an arrangement requires a high degree of trust among members. Members must continue to contribute to the rotating credit even after they have collected their money.

In general the problems of informal credit systems center on high interest rates, inconsistent and small amount of money available, and in some cases the degree of exploitation and control may be higher when many people in the village are indebted to a few villagers.

Although such informal credit systems appear not to be able to mobilize sufficient and reasonably inexpensive financial resources for

the poor, such systems do demonstrate that the poor can and do use credit. It also demonstrates credit worthiness. They do pay back such loans even at a usually high rate of interest. Some of the positive elements of these informal credit systems should be incorporated into more formal credit systems to lessen the inability and unwillingness of the formal system to provide services to the poor.

The next sections will present goals and operating principles for a formal credit institution that intends to assist the poor in income generating activities.

Revolving Loan Funds

Formal credit programs for the development of income generating activities for the rural poor have different labels in different parts of the world. In Indonesia a credit program for the poor is called Dana Belagar (Learning Fund) and in Lesotho the credit program is called the Assistance Fund. Other names which have also been used include revolving or rotating loan funds and community development banks. This study prefers the term revolving loan fund as it is a universal term and it suggests that money is constatly being revolved for the benefit of the people.

Goals of a Revolving Loan Fund

A revolving loan fund should have the following goals: provide necessary financial assistance to feasible income generating activities for the benefit of the poor and to act as a "bank of last resort" for the lender. Such loan funds should not be set up in com-

petition to formal lending institutions which are generally intended for the more affluent members of the society. Furthermore, the institution administering these loan funds should retain a separate bank account for the loan monies which is not part of the institution's operating funds. When the loan is repaid it should be put into this account with the intention of revolving the money to another group ideally in the same geographical area as the first group. In large countries, thought should be given to decentralizing these funds by region so that the revolving loan fund is constantly being recycled within that region. This may positively increase pressures on the part of the borrowing group to repay the loan so that others can then borrow the money.

Principles of a Revolving Loan Fund

The Assistance Fund in Lesotho has already been briefly described in Chapter IV. It and other revolving loan funds seem to have a number of common principles. They are:

1. Loan funds without accompanying training generally are not sufficient. The Lesotho experience has shown that borrowers are most able to handle the loan money in a proper fashion and repay the loan when they are given training assistance to take full advantage of the loan. Money loaned to a group without other supporting help is generally wasted. Most groups need training assistance as previously described in concert or even preceding such financial assistance.

2. Quite often groups in their initial stages of development

need smaller amounts of seed money to undertake a limited income activity mainly for training purposes. Institutions implementing revolving loan funds should consider a separate source of funds which would enable them to award small grants to groups engaged in primarily an educational activity. At a later time once the training has taken place with the help of the grant, a group could then take out a loan and at the same time, if necessary, repay the grant principle.

3. Institutions should be aware of and make credit available to activities that cater to a local market rather than a tourist handicraft market.

4. Make credit available to off-farm activities which especially suit the large numbers of landless poor.

5. Consider ways to waive the collateral terms of most formal credit institutions or utilize innovative approaches to substitute for collateral. This might be third party guarantors, or resource commitments by each member into the activity as described in the Lesotho case studies.

6. Group lending reduces the administrative costs for lending institutions and provides a mechanism for outside assistance. Also, block grants which help several small groups at one time within a region can further reduce such costs and make training even more cost effective.

7. Incorporate the desirable features of the informal credit system into the revolving loan fund. These include reduced paperwork and administrative constraints, flexible collateral requirements, fre-

quent repayment schedules, and loan officers who have the proper training in the needs of the poor.

8. Bring the credit program to the rural people rather than having them always come to the lending institute to reduce travel and other expenses for the lenders. Provide flexible and frequent hours to service the loan.

9. Advertise the availability of the revolving loan fund via communication channels that the poor use. These include mass media approaches such as radio programs and interpersonal contacts such as discussions at church and at village meetings.

10. The administering institution should have a set of guidelines or selection criteria which will enable it to make responsible and impartial decisions based on the merits of the applying group rather than on political or other factors.

11. Provide reasonable rates of interest. Probably more than any single question regarding revolving loan funds is the amount of interest that should be charged on a loan. Reaction to the inability of conventional formal credit institutions to provide proper credit centers on the issue of interest. This argument states that when the poor can obtain a formal credit loan, the interest rate is too high. When they fail it is a result of this high interest rate. Lately there has been considerable criticism directed at this argument (Adams, 1977, 1978, and Soles, 1973).

In brief, criticism has been directed at unusually low rates of interest as distorting and undermining the potential development of

solid financial markets. Low interest rates, furthermore, are thought to retard savings and capital formation, cause inefficient allocation of resources, and fragment financial markets. In summary, a low interest rate is in effect a subsidy that the government must provide to the lending institution which undermines a notion of a self sufficient national financial market and which at the same time fosters an unrealistic understanding of the financial market on the part of the income generating group. Such an unrealistic understanding may retard a business-like approach to future dealings with conventional banks and other lending institutions as the group grows. If the activities of the group are economically sound and feasible, a reasonable rate of interest will not negatively influence the success of a group.

Yet it remains to be determined as to what is a "reasonable" rate of interest. It appears that this rate is somewhere between the artificially low rates of interest of one or two percent but lower than the 18% or more that a commercial bank charges. This must be a country specific decision. As a guideline, where the training aspects of the assistance program are paid for from government or nongovernment sources, the interest charged on the loan should be enough to recapture the service charges for administering the loan. In many instances this would be around 8 to 10% per annum on a decreasing balance.

Issues for Decision Makers

If the approach discussed in this study is examined from a cost effective perspective vis-a-vis income generation alone, it may not be appropriate. For example, Ipopeng Leribe has a loan of M 790. With 15 members this is a per worker capitalization of M 52.66. This is a reasonable figure especially when per worker returns in profits will be M 92 after one year. Unfortunately per worker capitalization increases considerably for the LDTC when both loan servicing and training are considered. Visits to this group occur approximately once or twice a month. Considering staff time and transportation costs this would calculate out to be at least M 500 per month. For the one year of the loan this would increase per worker capitalization to around 452.66. For a yearly per worker return of M 92.00 this is a large investment. If decision makers were to use these figures alone, then there could be justified reason for not supporting such a program. However, other returns to investments must be considered. The primary target group for these programs is the poorer segments of the national population. The income generating approach discussed within this study most likely will never account for a large portion of the GDP, probably no more than a few percent. However, while the approach stresses income generation, a number of other equally important goals are expressed. The women at Koloni are just one example. As experience has shown, they never saw immediate profits as important. They seem to place greater value in learning productive skills

which they were never able to obtain in the formal school system. These practical skills along with an increased sense of personal empowerment through the LDTC interactions are extremely meaningful within the context of the group but also in later life for the individual. As a result it is important to break down the costs of such an institutional assistance program into education costs and returns and then loan servicing costs and returns. If viewed from that perspective the concept of institutional support to income generating groups makes sense. Returns on these nonformal education and financial assistance investments may eventually prove to be more cost effective than returns to investments in the formal school system.

From the perspective of the LDTC which is attempting to go beyond the present pilot project phase to a national effort, its decision makers should look at ways to maximize the success rate at minimal cost to the institution. This means doing only what is necessary and practical to ensure a reasonable chance of success. This may mean identifying the basic training that is needed and not going beyond that for income generating groups. For training groups like Kolini this may mean training only in those areas which lead to empowerment and self management and not income generation. There is no evidence established from this study that increased amounts of training will increase the success potential of the groups.

Loans and grants would be given to either meet income or training needs. Obviously there will be some failures due to conditions outside the control of the LDTC. Even if 20% of all groups

fail (not an unlikely situation) an 80% success rate and controlled institutional costs should make the program a success. This probably means sharing the expenses of such a program with other institutions. One possible solution would be to make arrangements to have the loans serviced at least in part by a financial institution such as the Lesotho Cooperative Credit Union League. Training expenses could be either shared or lessened by working with and training those agencies such as the Lesotho National Council of Women who have a considerable number of field members. In effect these people could interact at the grass roots level thus enabling the small number of LDTC staff to have an impact throughout the entire country.

Concluding Statement - Possibilities For Implementation

The preceding six chapters have presented a model for the development of institutional resources to assist income generating group activities based upon a review of the literature, the activities of three income generating groups, and the information learned by the institution that provides them with assistance. As such, universal statements as to its long range or large scale effectiveness cannot be made.

Yet the important role that nonformal education training and financial assistance can play in the development of self managed income generating groups is substantiated. The lessons learned and analyzed in this paper can serve others who wish to examine how income generating groups can be assisted.

A number of points are made in the course of this paper. Probably chief among them is the belief that such income generating approaches as presented herein allow rural people to enter the modern sector at less risk of impoverishment and at less disruption to their traditional beliefs and patterns. Yet a stress should not be made on the generation of income alone. Increased production with a result in increased income is only half of the equation. Besides developing productive abilities, self managed income generating groups must control this development process. Ultimately the issue comes down to increased production/income and control over production. The question becomes one of who benefits from this increased production. Where do increased income and resulting profits accumulate? If the beneficiary are the elites in the modern sector, then the approach presented here is of no more benefit to the millions of rural poor than previous development efforts. Such questions are ultimately settled in the political arena. Self managed income generating group development stresses the acquisition of productive and empowerment skills whereby people are aware and can take control over their own lives. The degree that this can be done varies greatly from country to country. In many societies posing a threat to entrenched traditional power structures poses enormous risk. It is only the people in that society, both those in the rural areas as well as in the modern sector, who can decide the extent that they can risk potential gain against the threat of oppression. Change can occur even in these societies with support and assistance given to rural people by organi-

zations, planners, and practitioners.

In conclusion, the development of self managed income generating groups can help the vast numbers of rural poor. The potential of this process is formed by internal group abilities and relationships and external organizational influences and political, economic, and social pressures.

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A P P E N D I X A

LDTc ASSISTANCE FUND EVALUATION RESULTS (TABLES)

The following are some of the results of the LDTc Assistance Fund Evaluation. (Changes in Perceptions of Assistance Fund Impact, 1983, unnumbered).

Table 1	Benefits of Membership
Table 2	Personal Income of Members
Table 3	Household Income of Members
Table 4	Source of Household Income
Table 5	Percentage of Members in Each Skill Category by Rating
Table 6	Other Resources Contributed to the Group
Table 7	Members' Perception of Their Participation in Decision Making
Table 8	Individual Problems Hindering Participation
Table 9	Problems within the Group
Table 10	Percentages of Members Requesting Further Training
Table 11	How Members Helped Group
Table 12	Offices Held
Table 13	Individual Confidence in Ability to Earn Income

TABLE 1

BENEFITS OF MEMBERSHIP

		LEARNED PRODUCTION SKILLS		EASIER TO BUY AS GROUP		SOLD PRODUCT		LEARNED BOOKKEEPING GROUP SKILLS		NOTHING YET	
		N	%	N	%	N	%	N	%	N	%
Koloni	Pre	16	67							6	25
	Post	11	85							2	15
Ipopeng	Pre									6	100
	Post	1	25					2	50	2	50
Khobotle	Pre	3	38	2	25					3	38
	Post	1	17			1	17	2	33	4	67
Totals	Pre	19	50	2	5					15	39
	Post	13	57			1	4	4	17	8	35

Other: Cooperative in contributing money for burials and other emergencies.

TABLE 2

PERSONAL INCOME OF AF MEMBERS (MALOTI PER MONTH)

		1-30		31-60		61-90		91-120		121-150		151+		NOT SURE		GROUP MEAN ^a
		N	%	N	%	N	%	N	%	N	%	N	%	N	%	
Koloni	Pre	11	46	4	17	2	8			1	4			6	25	between 1-30 & 31-60 31-60
	Post	4	31	5	38	2	15					1	8			
Ipopeng	Pre	3	50	3	50											1-30 & 31-60 91-120
	Post			1	25	1	25			1	25	1	25			
Khobotle	Pre	3	38									3	38	2	25	61-90 & 91-120 91-120
	Post	1	17									2	33	3	50	
Totals	Pre	17	45	7	18	2	5			1	3	3	8	8	21	
	Post	5	22	6	26	3	13			1	4	4	17	3	13	

^aBased on number of responses.

TABLE 3

HOUSEHOLD INCOME OF AF MEMBERS (MALOTI PER MONTH)

		1-30		31-60		61-90		91-120		121-150		151+		NONE/ DON'T KNOW		GROUP MEAN ^a
		N	%	N	%	N	%	N	%	N	%	N	%	N	%	
Koloni	Pre	3	13	2	8	3	13	5	21	1	4	4	17	6	25	between 61-90 & 91-120
	Post	1	8	2	15	1	8	3	23			4	31			
Ipopeng	Pre			4	67			1	17			1	17			91-120 & 121-150
	Post			1	25	1	25			1	25	1	25			
Khobotle	Pre			1	13							3	38	4	50	61-90 91-120
	Post	1	17									4	67			
Totals	Pre	3	8	7	18	3	8	6	16	1	3	8	21	10	26	121-150 121-150
	Post	2	9	3	13	2	9	3	13	1	4	9	39			

^aBased on total number of responses.

TABLE 4
SOURCE OF HOUSEHOLD INCOME

		MINE		SALE OF VEGETABLES		EMPLOYMENT		CARPENTRY		OTHERS
		N	%	N	%	N	%	N	%	
Koloni	Pre	14	58	4	17	3	13	1	4	*Sale of beer
	Post	6	46	4	31	2	15	1	4	
Ipopeng	Pre	3	50	1	17	2	33			
	Post	3	75							
Khobotle	Pre	4	50	3	38	2	25			*Shop rental
	Post	2	33	2	33	1	17			
Totals	Pre	21	55	8	21	7	18	1	3	
	Post	11	48	6	26	3	13	1	4	

TABLE 5

PERCENTAGE OF MEMBERS IN EACH MANAGEMENT SKILL CATEGORY BY RATING

RATING	MARKETING %	COMMUNI- CATION %	BOOK- KEEPING %	GROUP- WORK %	RECORD- KEEPING %	LEADER- SHIP %	PRODUC- TION %	EQUIPMENT REPAIR %
High (3)								
Koloni	Pre Post	4 8	4 31	17 31	4 0	13 8	8 8	0 8
Ipopeng	Pre Post	0 25	0 25	0 75	0 75	0 25	0 0	0 25
Khobotle	Pre Post	25 0	13 0	25 33	13 17	13 33	25 17	0 50
Total % Gain	40	29	52	97	79	45	8	83
Total % Loss		25	13		4	5		
Net Gain/Loss	40	4	39	97	75	40	-8	83
Average (2)								
Koloni	Pre Post	13 46	4 15	13 31	0 15	21 23	4 69	0 23
Ipopeng	Pre Post	0 25	0 25	0 0	0 0	0 0	0 0	0 25
Khobotle	Pre Post	25 75	13 33	13 17	13 50	25 17	13 17	0 0
Total % Gain	31	83	56	22	52	2	69	48
Total % Loss	21					8	69	48
Net Gain/Loss	10	93	56	22	52	-6	69	69

TABLE 5 (CONTINUED)

RATING	MARKETING		COMMUNI- CATION %	BOOK - KEEPING %	GROUP - WORK %	RECORD - KEEPING %	LEADER - SHIP %	PRODUC- TION %	EQUIPMENT REPAIR %
	%								
<u>Low (1)</u>									
Koloni	Pre	0	8	8	21	13	4	17	8
	Post	23	23	17	8	21	23	4	8
Ipopeng	Pre	0	0	0	0	0	0	0	0
	Post	0	50	25	0	25	0	0	0
Khobotle	Pre	0	13	13	13	13	23	13	0
	Post	33	17	33	17	0	17	0	17
Total % Gain	56		69	54	4	33	19		17
Total % Loss					13	13	6	-26	
Net Gain/Loss	56		69	54	-9	20	15	-26	17
None (0)									
Koloni	Pre	83	75	83	50	83	63	71	92
	Post	38	23	54	23	46	46	15	54
Ipopeng	Pre	100	100	100	100	100	100	100	100
	Post	38	17	17	17	33	50	75	33
Khobotle	Pre	38	13	38	25	38	13	25	63
	Post	33	0	17	17	17	17	33	17
Total % Gain							4	8	
Total % Loss	117		148	133	118	125	67	-81	151
Net Gain/Loss	-117		-148	-133	-118	-125	-63	-73	-151

TABLE 6

OTHER RESOURCES CONTRIBUTED TO GROUP

		TOOLS/EQUIPMENT		MARKETPLACE		FOOD		EXTRA LABOUR		KNOWLEDGE	
		N	%	N	%	N	%	N	%	N	%
Koloni	Pre	1	4			10	42	18	75	2 ^a	8
	Post	2	15			2	15			2	15
Ipopeng	Pre	2	33			2	33				
	Post	3	75	1	17	3	75	2	33		
Khobotle	Pre	3	38			5	63	5	63	1 ^b	13
	Post	6	100	1	13	4	75				
Totals	Pre	6	16			17	45	25	66	3	8
	Post	6	26	2	5	9	39			2	9

^a Of knitting, cutting and sewing.^b Advise chair in planning.

Other: Group uses my sales tax no. to purchase building materials; attend conference; report to group; contribute firewood; encourage members to work hard.

TABLE 7

MEMBERS' PERCEPTIONS OF THEIR PARTICIPATION IN DECISION-MAKING

		HIGH		AVERAGE		LOW		NONE	
		N	%	N	%	N	%	N	%
Koloni	Pre	2	8	4	17	2	8	16	67
	Post	5	38	3	23			3	23
Ipopeng	Pre	1	17	2	33	2	33	1	17
	Post			4	100				
Khobotle	Pre	3	38	4	50			1	13
	Post	3	50	2	33	1	17		
Totals	Pre	6	16	10	26	4	11	8	47
	Post	8	35	9	39	1	4	3	13

TABLE 8

INDIVIDUAL PROBLEMS HINDERING PARTICIPATION

GROUP		NONE		HEALTH		EMPLOYMENT		AGRICULTURAL RESPONSIBILITIES		FAMILY		NO MONEY	
		N	%	N	%	N	%	N	%	N	%	N	%
Koloni	Pre	13	54	5	21					3	13	1	4
	Post	5	38	4	31	1	8	2	15	1	8		
Ipopeng	Pre	2	33	1	17	2	13						
	Post	2	50	1	25					2	50		
Khobotle	Pre	1	13	4	50	2	25	1	13	1	13		
	Post	2	33	2	33							2	33
Totals	Pre	16	42	10	26	4	11	1	2	4	11	1	2
	Post	9	39	7	30	1	4	2	9	3	13	2	9

Other: Live far from workplace, travel frequently, membership in other groups.

TABLE 9
PROBLEMS WITHIN GROUP

GROUP		NONE		LAZINESS		LATE COMING/POOR ATTENDANCE		INTERPERSONAL PROBLEMS		LACK OF KNOWLEDGE		DON'T PAY DUES	
		N	%	N	%	N	%	N	%	N	%	N	%
Koloni	Pre	17	71	1	4								
	Post	9	69	2	15	1	8	5	21	1	4		
Ipopeng	Pre	3	50	2	33	2	33						
	Post	2	50	1	25	1	25						
Khobotle	Pre	1	13	2	25	5	63	1	13	1	13		
	Post			2	33	6	100			2	33	4	67
Totals	Pre	21	55	5	13	7	18	6	16	2	5		
	Post	11	48	5	22	8	35			3	13	4	17

TABLE 10

PERCENTAGE OF MEMBERS REQUESTING FURTHER TRAINING IN SPECIFIC AREAS

RATING	MARKETING		COMMUNI- CATION		BOOK - KEEPING		GROUP - WORK		RECORD - KEEPING		LEADER- SHIP		PRODUC- TION		EQUIPMENT REPAIR	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Koloni	16	67	8	33	16	67	6	25	12	50	10	42	7	29	11	46
	9	69	11	85	12	92	10	77	10	77	6	46	7	54	7	54
Ipopeng																
	3	75	2	50	2	50	2	33	2	50	1	17	2	33	1	25
Khobotle	5	63	5	63	6	75	5	63	4	50	5	63	3	38	4	50
	2	33	2	33	5	83	2	33	3	50	3	50			1	17
Totals	21	55	13	34	22	58	13	34	16	42	16	42	12	32	15	39
	14	61	15	65	19	83	14	83	15	635	10	43	9	39	9	39

TABLE 11
HOW MEMBERS HELPED GROUPS

		WORKED ON GROUP TASK		GAVE ADVICE/ TAUGHT SKILLS		CONTRIBUTED MATERIAL/MONEY		ENCOURAGED MEMBERS	
		N	%	N	%	N	%	N	%
Koloni	Pre	4	17	3	13	1	4	0	
	Post	8	62			4	31	1	8
Ipopeng	Pre	2	33			2	33		
	Post	2	50			3	75		
Khobotle	Pre	2	25			2	25	1	13
	Post	1	17	1	17	4	75		
Totals	Pre	8	21	3	8	5	13	1	3
	Post	11	48	1	4	11	48	1	4

TABLE 12

OFFICES HELD

		IN AF GROUP		IN OTHER GROUPS ^a	
		N	%	N	%
Koloni	Pre	3	13	5	21
	Post	3	23	5	46
Ipopeng	Pre	0		0	
	Post	2	50	0	
Khobotle	Pre	3	38	6	75
	Post	3	50	4	75
Totals	Pre	6	16	1	29
	Post	8	35	10	43

^a Includes credit unions, agricultural show group, burial society, women's institutes, Boiteko groups.

TABLE 13

CONFIDENCE IN ABILITY TO EARN INCOME

		VERY CONFIDENT		CONFIDENT		SOMEWHAT CONFIDENT		NOT CONFIDENT	
		N	%	N	%	N	%	N	%
Koloni	Pre	9	38	3	13	4	17	13	54
	Post	2	15	5	38	6	46		
Ipopeng	Pre	3	50	1	17	1	17	1	17
	Post	2	50			2	50		
Khobotle	Pre	3	38	3	38	1	13		
	Post	2	33	1	17	1	17	2	23
Totals	Pre	15	39	7	18	6	16	14	37
	Post	6	26	6	26	9	39	2	9

A P P E N D I X B

LDTC ASSISTANCE FUND EVALUATION INSTRUMENTS

The Lesotho Distance Teaching Centre primarily used two instruments to collect data on the three income generating groups. One, the pretest, was administered in March 1983 to members of the three groups. After approximately six months of assistance and group development, a post test was administered to members of the three groups. Both instruments are attached (Changes in Perceptions of Assistance Fund Impact, 1983, unnumbered).

- | 7. Activities | 8. Days/Week | 9. Doing activity now? | |
|---------------|--------------|------------------------|----|
| | | Yes | No |
| | | | |
| | | | |
| | | | |

11. What equipment do you own that is used for group activities?
12. What other resources do you contribute to the group's activities?
- | | |
|---------------------|-----------------------------------|
| _____ meeting place | _____ special knowledge (explain) |
| _____ food | _____ |
| _____ extra labour | _____ other (please specify) |
| _____ none | _____ |

13. To what extent do you share in group decision-making?
(SHOW CARD)
_____ a great extent = 3
_____ a fair extent = 2
_____ a little = 1
_____ not at all = 0
14. What are the problems group members have in working with each other?
15. What are your personal problems outside the group that hinder your participation in group activities?
16. How has your participation in this group made a difference in your life?
17. At this time, how would you rate your ability in these skills to help your group? (Interviewers: SHOW card with scale on it, READ each category to respondent.)
 Scale: 3 = high
 2 = average
 1 = low
 0 = none

Categories:

_____ marketing
_____ communications
_____ bookkeeping
_____ group work
_____ recordkeeping
_____ leadership/management
_____ production skills
_____ equipment maintenance and repair
_____ other (please specify)

18. What skills have you been able to share with people outside the group? (Interviewers: SHOW card with categories on it and READ each one to respondent.)

Categories

_____ marketing
_____ communications
_____ bookkeeping
_____ group work
_____ recordkeeping
_____ leadership/management
_____ production skills
_____ equipment maintenance & repair
_____ other (please specify)
_____ none

With Whom Shared?

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears slightly aged or off-white.

19. DO NOT ASK OF COMPARISON GROUPS. In which of these skills do you want further training? (Interviewers: SHOW card with categories and READ each one to respondent.)

<input type="checkbox"/> marketing	<input type="checkbox"/> leadership/management
<input type="checkbox"/> communications	<input type="checkbox"/> production skills
<input type="checkbox"/> bookkeeping	<input type="checkbox"/> equipment maintenance and repair
<input type="checkbox"/> group work	<input type="checkbox"/> other (please specify)
<input type="checkbox"/> recordkeeping	<input type="checkbox"/> none

20. Give some examples of what you have done to help your group in the past three months:

21. Besides your involvement with this group, what other self-improvement or learning activities are you currently engaged in?

<input type="checkbox"/> literacy training	<input type="checkbox"/> another group (describe)
<input type="checkbox"/> correspondence courses	<input type="checkbox"/> other (describe)
<input type="checkbox"/> skills training (describe)	
<input type="checkbox"/> none	

22. Are you currently holding an office in this group?

☐ Yes ☐ No

If yes, please describe the position held.

23. Are you currently a member of any committee outside of this group?

☐ Yes ☐ No

If yes, please describe the position held and give the name of the group:

24. Are you engaged in any other income-generating activities besides those of this group?

☐ Yes ☐ No

If yes, please describe and state whether an individual or group activity:

25. Do you have a bank account? ☐ Yes ☐ No

If yes, for how long have you had it?

26. Are you a member of a Credit Union? _____ Yes _____ No

If yes, for how long have you been a member?

27. How confident are you of your income-generating skills?

_____ very confident = 3	_____ somewhat confident = 1
_____ fairly confident = 2	_____ not confident = 0

Why or why not?

28. How old are you?

29. What level of schooling did you complete?

30. Where do you live? (village and district)

31. How long have you lived there?

32. How many mebers are there in your household?

33. What do you do to earn money?

(Note to Interviewer: Wait for respondent to answer. If he or she gets stuck, provide some examples, such as sale of beer, eggs, agricultural products; carpentry, shop clerk, etc.)

34. In which of the following categories does your total personal income per month for the activity (or activities) you mentioned fall?

(Note to Interviewer: Refer to activities mentioned in 33. You may have to probe to get an adequate answer--ask how often a product is sold, whether income is per week, every two months, etc.)

_____ M 1 - 30	_____ M 91 - 120
_____ M 31 - 60	_____ M 121 - 150
_____ M 61 - 90	_____ M 151 and over
	_____ None

35. How satisfied are you with the amount you earn?

_____ very satisfied = 3	_____ somewhat satisfied = 1
_____ fairly satisfied = 2	_____ not satisfied = 0

Why or not?

36. What is the most important source of income for your household?
(Note to Interviewer: Could be earned by wife, husband, or anyone
else in the household.) (Check only one.)

<input type="checkbox"/> mine remittances	<input type="checkbox"/> shop clerk
<input type="checkbox"/> sale of agricultural products	<input type="checkbox"/> other (please specify)
<input type="checkbox"/> carpentry	

37. In which of the following categories does your household income
per month fall? (Interviewer: SHOW card.)

<input type="checkbox"/> M 1 - 30	<input type="checkbox"/> M 91 - 120
<input type="checkbox"/> M 31 - 60	<input type="checkbox"/> M 121 - 150
<input type="checkbox"/> M 61 - 90	<input type="checkbox"/> M 151 and over

THANK YOU VERY MUCH FOR HELPING US WITH THIS STUDY!

- Yes No

Why did they change?

- | 8. Activities | 9. Days/Week | 10. Doing activity now? | |
|---------------|--------------|-------------------------|----|
| | | Yes | No |
| | | | |
| | | | |
| | | | |

- _____ Yes _____ No

If yes, what for and how much?

_____	dues	_____	amount
_____	finer	_____	amount
_____	other	_____	amount
_____	explain	_____	amount

12. What equipment do you own that is used for group activities?
13. What other resources do you contribute to the group's activities?
- | | | | |
|-------|---------------|-------|-----------------------------|
| _____ | meeting place | _____ | special knowledge (explain) |
| _____ | food | _____ | other (please specify) |
| _____ | extra labour | _____ | |
| _____ | none | _____ | |
14. To what extent do you share in group decision-making?
- | | | | |
|-------|--------------------|-------|----------------|
| _____ | a great extent = 3 | _____ | a little = 1 |
| _____ | a fair extent = 2 | _____ | not at all = 0 |
15. What are the problems group members have in working with each other?
16. What are your personal problems outside the group that hinder your participation in group activities?
17. How has your participation in this group made a difference in your life?
18. At this time, how would you rate your ability in these skills to help the group?
- Scale: 3 = high
 2 = average
 1 = low
 0 = none

Categories:

- _____ marketing
- _____ communications
- _____ bookkeeping
- _____ group work
- _____ recordkeeping
- _____ leadership/management
- _____ production skills
- _____ equipment maintenance and repair
- _____ other (please specify)

19. In which of these skills do you want further training? (DO NOT ASK OF COMPARISON GROUPS)

Categories:

- ☐ marketing
☐ communications
☐ bookkeeping
☐ group work
☐ recordkeeping
☐ leadership/management
☐ production skills
☐ equipment maintenance and repair
☐ other (please specify)
☐ none

20. What skills have you been able to share with people outside the AF group?

Categories

With Whom Shared?

- ☐ marketing
☐ communications
☐ bookkeeping
☐ group work
☐ recordkeeping
☐ leadership/management
☐ production skills
☐ equipment maintenance & repair
☐ other (please specify)
☐ none

21. Give some examples of what you have done to help your group in the past three months:
22. Besides your involvement with this group, what other self-improvement or learning activities are you currently engaged in?

- ☐ literacy training
☐ correspondence courses
☐ skills training (describe)
☐ none
- ☐ another group (describe)
☐ other (describe)

23. Are you currently holding an office in this group?

☐ Yes
 ☐ No

If yes, please describe the position held.

24. Are you currently a member of any committee outside of this group?

_____ Yes _____ No

If yes, please describe the position held and give the name of the group:

25. Are you engaged in any other income-generating activities besides those of this group?

_____ Yes _____ No

If yes, please describe and state whether an individual or group activity:

26. Do you have a bank account? _____ Yes _____ No

If yes, for how long have you had it?

27. Are you a member of a Credit Union? _____ Yes _____ No

If yes, for how long have you been a member?

28. How confident are you of your income-generating skills?

_____ very confident = 3	_____ somewhat confident = 1
_____ fairly confident = 2	_____ not confident = 0

Why or why not?

29. What do you do to earn money now?
(Note to interviewer: Provide some examples if respondent gets stuck.)

IF THIS RESPONSE IS DIFFERENT THAN RESPONSE ON PRE-TEST:

When we talked to you six months ago, you said you earned money by _____. Do you still earn money this way?

_____ Yes _____ No

If no, why not?

30. What is your personal income per month at this time?

_____ M 1 - 30
 _____ M 31 - 60
 _____ M 61 - 90

_____ M 91 - 120
 _____ M 121 - 150
 _____ M 151 and over
 _____ None

IF THIS RESPONSE IS DIFFERENT THAN RESPONSE ON PRE-TEST:

When we talked to you six months ago, you said you earned _____ per month. Why did your income increase (or decrease)?

31. How satisfied are you with the amount you earn?

_____ very satisfied = 3
 _____ fairly satisfied = 2
 _____ somewhat satisfied = 1
 _____ not satisfied = 0

Why or not?

32. What is the most important source of income for your household now?

(Note to Interviewer: Could be earned by wife, husband, or anyone else in the household.) (Check only one.)

_____ mine remittances
 _____ sale of agricultural products
 _____ carpentry
 _____ shop clerk
 _____ other (please specify)

IF THIS RESPONSE IS DIFFERENT THAN RESPONSE ON PRE-TEST:

When we talked to you six months ago, you said the most important source of household income was _____. Why has this changed?

33. In which of the following categories does your household income per month fall?

_____ M 1 - 30
 _____ M 31 - 60
 _____ M 61 - 90

_____ M 91 - 120
 _____ M 121 - 150
 _____ M 151 and over

IF THIS RESPONSE IS DIFFERENT THAN RESPONSE ON PRE-TEST:

When we talked to you six months ago, you said your household income was _____ per month. Why has this amount increased (or decreased)?

THANK YOU VERY MUCH FOR HELPING US WITH THIS STUDY!

A P P E N D I X C

ASSISTANCE FUND SELECTION CRITERIA

The following is the criteria that the Lesotho Distance Teaching Centre is currently using to assess whether or not a group is eligible for educational and financial assistance. This criteria has undergone a number of revisions over the past few years and will continue to be refined as the LDTC gains further experience in the administration of a revolving loan fund.

I. General Criteria

Grants and loans are to be made to those applicants (groups and organizations) who are, in the opinion of the Screening Committee and the Assistance Fund Management Subcommittee, working toward genuine development within Lesotho. This is evident from the work the applicants have done over the past few years.

Only applicants who do not have access to the financial resources of conventional lending institutions are eligible for loans and grants. The Assistance Fund cannot provide financial assistance to applicants which may duplicate the work of another institution or Ministry. It is the intention of the Assistance Fund to provide assistance to the large numbers of people who represent the more disadvantaged segments of the rural population. Whereas there is no maximum amount that may be loaned or granted to applicants, all things being equal, applications for modest amounts of money receive pre-

ference.

Loans and interest due are to be repayable in equal installments over equal periods of time in the shortest time possible. Loans to income generating groups are subject to interest rates equal to the lowest current bank deposit rates in Lesotho at the time the loan is made. At the present time this is 4% times the number of years that the loan is for (simple rate of interest not compounded).

It is required that each loan or grant contract between the LDTC and the recipient be signed by both the Director of the LDTC and by at least two and preferably all members.

The Screening Committee is to have the right to make recommendations on exceptions to the Selection Criteria with proper justification to the AFMS. USAID/Lesotho is to have the right and obligation of quarterly reviews of all loans and grants. Access by the LDTC to the project activities and financial records of the assisted group or organization is to be allowed for needs of assessment and evaluation purposes for three years after the end of the assistance program. LDTC is under obligation to evaluate all activities supported by the Assistance Fund.

II. Specific Criteria

A. Membership and Target Population of Organization

1. The organization is Lesotho based and Basotho run.
2. The organization benefits the more disadvantaged segments of the rural population.

3. The organization is community based.
4. The number of participants and area of coverage justify involvement by the LDTC.

B. Present Activities, Future Goals, and Strategies of the Organization

1. The actions of the organization fit with the Government of Lesotho Five Year Development Plan.
2. The organization has a clearly understood statement of present activities, future goals, and strategies to realize these goals.
3. The activities of the organization provide for a direct and identifiable improvement in member lives.
4. The activities of the organization provide for a built in chain reaction effect on development in the community.
5. LDTC work with the organization will not duplicate the work of another agency.

C. Member Participation and Involvement

1. The organization uses all appropriate and available local physical and human resources through peoples participation.
2. All members of the organization have an opportunity for equal input into the decision making process of the organization.

D. Organizational Commitment

1. The organization is committed to doing its job even without the help of the LDTC.

E. Financial Assistance Issues

The organization requires additional monies to accomplish expansion or program development/intensification and other funding sources are not available.

1. Organizations that need financial assistance with project investments to generate income or begin revolving funds/credit programs, i.e., agriculture, animal husbandry, sewing, handicrafts, carpentry, etc., qualify for a loan.
 - a. The organization has furnished sufficient evidence of capability to repay the loan at the agreed upon interest rate and repayment schedule and still ensure the economic continuation of the organization (money for reinvestment and profit for members) by providing information on:
 - i. How much it plans to produce and sell within a specified time period;
 - ii. How much it expects to receive within the same specified time period from the sale of products mentioned in no. i;
 - iii. How much money is received within the specified time period from subscription fees and other sources;
 - iv. How much it will spend on materials within the specified time period to produce the products mentioned in no. i;
 - v. How members will be paid for their labor and how it is determined-by a percentage of the profits, on an

- hourly basis, etc.;
- vi. What the other expenses are that must be paid within the same specified time period such as parafin, electricity, rent, etc. to produce and sell its products;
- vii. Amount realized from product sales to pay back the loan, to reinvest into the organization, and to make a profit for members.
- b. The organization has furnished sufficient evidence that it will be able to satisfactorily market its products. This may be done by providing information on:
 - i. Success of past or present marketing outlets;
 - ii. market survey data supplied by government or private sources
- 2. Organizations that need financial assistance with what is an educational activity which does as a result of its training produce some, limited salable products, i.e., rural training school which in the course of its training programme does produce some salable products, qualify for a loan at no interest rate.
 - a. The organization has furnished sufficient evidence of capability to repay the loan at the agreed upon repayment schedule and still ensure the economic continuation of the organization (money for reinvestments) by providing information on:

- i. How many people it expects to train within a specified time period (one month, six months, or one year, etc.) and how much will be realized from tuition fees;
 - ii. How much money it will receive from other sources including products produced and sold within the same specified time period;
 - iii. How much it will spend on training materials within the specified time period;
 - iv. How much the trainers and organizers are paid within the specified time period if they are paid at all;
 - v. What the other expenses are that must be paid within the specified time period such as parafin, electricity, rent, etc. to conduct its training programme;
 - vi. Amount realized from product sales and from other sources such as tuition so as to pay back the loan and still have enough to reinvest in organization;
 - b. The organization has furnished sufficient evidence that it will be able to satisfactorily market the salable product produced from the training programme. This may be done by providing information:
 - i. Success of past or present marketing outlets;
 - ii. Market survey data supplied by government or private sources.
3. Organizations that need financial assistance with what is an educational purpose, i.e., nutrition education, pre-school education, health education, qualify for a grant.

A P P E N D I X D

EVALUATION INFORMATION ON LDTC TRAINING OF INCOME GENERATING GROUPS

The following evaluation information was gathered as part of the LDTC assistance program with the three case study group's members. The information from both trainers and participants is generally narrative. However, it does provide a complete picture of how people felt about the training. The results were compiled into a LDTC paper entitled Evaluation of Record Keeping Procedures for Assistance Fund Training.

KOLONI UNIFORM CENTRE

TRAINERS' OBSERVATIONS

Strengths

1. Group has all material to sew uniform, patterns made. Now establishing work for 3 days per week.
2. Session went well. Participants couldn't come to consensus re: payment.

Problems

1. Participants didn't keep time.
2. Homework exercise left behind--should have been mailed to LDTC.
3. Although there were entries in cashbook, it wasn't neat. At the end of the month the "treasurer" doesn't balance the book.
4. Secretary does the job of the treasurer, treasurer only records what told by group leader--leader receives money from sales, issues receipts.
5. Lack of commitment from group members.
6. KUC members don't have clear-cut roles. Secretary doing duties of treasurer; some elected as committee members but not informed. Group members don't know how group functions. They see it only as a sewing school. Many trainees come late, some committee members don't come to training.
7. Couldn't get access to books; no committee members showed up.
8. Poor attendance; no group members came; those who came were late.

Other

1. Group needs close monitoring; should write to LDTC to inform us of date for next training; should be visited for audit.
2. Pay group members another visit soon to check books (bookkeeping not good).
3. Write letter to group re: poor attendance of training.

FEEDBACK FROM TRAINEES

1. Feelings about training--very good (24), good (3), satisfied (3).
2. Feelings about group's present activities--very good (19), good (3), satisfied (6), no response (2).

KHOBOTLE PIGGERY ASSOCIATION

OBSERVATIONS OF TRAINERS

Strengths

1. Very useful discussions took place between LDTC team and Agric-Mafeteng team related to cost effectiveness of pig breeding and fattening, group work and village groups' effectiveness and problems.
2. Indication of self-confidence--group negotiated for water pipes from MinRuDev and got them.
3. Pigs are well fed, stys well kept, and enough food for pigs.
4. Group is clear they will breed and fatten piglets.
5. Group able to plan and organize fund raising.
6. Group attends other development projects' meetings.
7. Dropouts from group have left group with members whose strength and sense of direction should not be overlooked.

Problems

1. "Tough interaction" between facilitators and group concerning what they had to do, what money was available and the need to stick to the timing of different activities.
2. Some members indicated they hadn't bothered to find out why LDTC staff didn't turn up 8 March.
3. Group members don't record tasks completed on time and those behind schedule.
4. Group has held stockfel, but hadn't calculated or recorded how much money was contributed, used and profit realized.
5. Group was concerned about the premature handing over of money to pig seller.
6. Two major weaknesses: (1) poor bookkeeping knowledge, and (2) poor group management. Also, group not recording work progress nor drawing work plan.
7. Group has communication problems--slow in following up decisions, poor attendance at trainings, group records poor.

8. The group is keeping two different books--one of them reflecting association's money such as subscription fees, stockfel money and others. Other reflects money from LDTc.

Other Observations

1. Questons raised: what have we learned from this experimental group? What are the prospects for further learning?
2. The group should be visited in order to find out the following:
 - Is it functioning as a group?
 - How many meetings did it have since 22 Feb., 1983?
 - Who were present members?
 - What was purpose of each meeting?
 - What were outcomes?
 - Which workplans have they agreed upon?
 - How have they planned to pay back the loan?
 - Which case study, from those provided by LDTc, do they prefer?
3. Books should be taken to LDTc for further inspection, evaluation.

FEEDBACK FROM TRAINEES

Strengths

1. Training in bookkeeping was well done.
2. Good methods of training (ability to clarify issues, use of bookkeeping materials in Sesotho).
3. We learend about expenses incurred by our group.
4. What we have learned will help us to see progress.
5. We were able to accomplish the task to date because we want to have pigs. There was urgency in what we were doing and we were afraid lest we did not do as we promised.
6. We are determined to work; we have the resources to do work.

Other

1. Participants need further training on bookkeeping and need a schedule for submitting assignments and returning them.
2. Group had visitors from ag. department, got advice re: building of pig sty.

Problems

1. Questions asked (by trainers) were not straight forward.
2. Had a few dropouts due to local politics.
3. Organization has problems in fencing the communal site. They would like to fence the site before buying pigs.

IPOPENG LERIBE POULTRY ASSOCIATION

TRAINERS' OBSERVATIONS

Strengths

1. Most members understood most of the functions/responsibilities of committee members.
2. Group members were happy to see they knew duties of group members.
3. During monitoring we found entries well done.
4. Much work has been done though not appearing on the board since the last meeting--confirmed by what I observed.
5. Toward the end of the training participants indicated that they understood the method used in programme planning.
6. Great improvement on programme planning.
7. Group members are aware that they have to pay back a loan and how to pay it.
8. Group members seem eager to have everything ready before chickens arrive.
9. The group was excited about learning about project planning and bookkeeping.
10. The Agric. officer congratulated the group for their well arranged and beautifully done chicken-run.
11. Group members did their bookkeeping well.

Problems

1. There was confusion among members as to when and how to enroll a new member.
2. More training is needed as some of the members seemed very slow.
3. Trainees lacked the spirit of working together because some felt that others were dominating.
4. Group members don't know each other as well as they should.

5. Participants were late. Most did not know how to fill in headings for different columns in bookkeeping. They didn't do assignment on programme planning.
6. Entries in bookkeeping book were not properly done.
7. Some of group members are very slow to understand the lessons.
8. Group seemed worried, asked questions like: How are we going to start paying back the loan? Will LTDC understand our problems? How will LTDC help us solve our problems?
9. The "mookameli" has missed a number of meetings.
10. Group is worried about the late arrival of chickens.
11. Agric. Extension worker gave the wrong impression about the arrival of chickens.
12. In most rural groups the secretary records the money and the treasurer issues receipts and takes the money to the bank.
13. Group did not furnish me with records of either success or failure as requested.

Other Observations

1. The group has to work hard to achieve its goals.
2. Chickens' houses made, home-made chickens' dishes made from fish oil tins, group still in process of making a roost.
3. The group is working well except for some members who do not do their job to satisfaction.
4. It is advisable not to introduce too many new things in one session. Deal with one or two things at a time and where possible avoid long contact to help members digest new information.
5. Group bookkeeping skill to be checked again next training to see if they have understood.
6. The group should be kept busy by being given frequent homework.
7. Group needs to be reminded that each member needs to practice the functions of group members.
8. We encouraged the group to work together with the poultry extension worker.

9. We need to visit the group during working hours so that we have the right picture of what is going on as far as the project is concerned.

FEEDBACK FROM TRAINEES

Strengths of Training

1. We look forward to the work we have to do.
2. We know how to send quarterly reports to LDTC and how to get advice.

Other

1. We need training on how to work together.
2. We need a demonstration on how to make home-made cages.
3. We want to be trained on: planning of work, how to strengthen work, how to work together, how to divide profit among members.

Results of Open Discussion

1. Group members are not satisfied, they think LDTC has forgotten all about them.
2. We are confused about what to do mostly because our Agric. Ext. agent is not cooperative.
3. Lack of confidence because they have just embarked on chicken raising.
4. We need training in poultry management.
5. We prefer face-to-face sessions.
6. More training sessions are needed.
7. Some members have never shown up for meetings even though they knew the chickens had arrived. They don't report why they were absent from previous meetings, and don't try to find out what went on in those meetings.

Questionnaire Results

1. Five participants showed much interest in bookkeeping; they shared the opinion that it would be helpful if everyone in that area managed to attend the training as it would not only help them in the group but also in their day to day lives.

They said they were able to know how much they spent on what because of what they learned about bookkeeping.

Bookkeeping sessions should be held regularly.

2. One participant said she had her own bookkeeping book, she knew how much she had spent and has "cut out" the amount of money she spent on buying sweets because of the bookkeeping lessons. She learned how to save and spend her salary.

General Comments (from monitor): I think the group liked the trainings held by LDTC; they have gained a lot not only for the group's purposes but for their own personal things--improves their daily activities.

3. Seven participants said they liked the trainings held by LDTC because:
 - a. The trainers understood them--they were very patient even when the participants were slow in understanding what they taught them.
 - b. LDTC has never lost their temper even when we did not do what they expected us to do.
 - c. LDTC trainers sternly emphasize what we have to do and advise us to do things for our own benefit.
 - d. They respect us--they did not say we were stupid even when we were unable to do what we were told to do, e.g., programme planning.
 - e. It was if we were all students, or maybe all teachers.
 - f. We enjoyed LDTC company--long life to our trainers.
4. Two said LDTC helped a lot; they will be able to stand on their own as a result of new skills.
5. Group said they knew bookkeeping and programme planning, and group functions but still need some revision of what was learned.
6. One gained knowledge of poultry as result of training.

General comments (from monitor): The group is much impressed by the interaction between the group and LDTC. The training was a pleasure to them as well as a light toward their success. The participatory approach makes people learn and enjoy their work. It makes people feel at home and encourages them to work hard.

